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PSYCHOLOGY OF A LEADER'S MANAGERIAL ACTIVITY

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У навчальному посібнику розкривається предмет, функції і принципи, психологічні закони управлінської діяльності лідера, лідерство і керівництво, роль лідера в управлінській діяльності, методи психологічного впливу в системах управління, індивідуально-психологічні особливості особистості лідера і його роль у покращенні соціально-психологічного, морально-морально-психологічного клімату в колективі.

Для студентів усіх спеціальностей, що вивчають курс психології управлінської діяльності лідера.

This tutorial aid deals with the subject, functions and principles, psychological laws of a leader's managerial activity, leadership and management, a leader's role in managerial activity, methods of psychological influence in management systems, individual-and-psychological peculiarities of leader's personality and his/her role in improving a collective's social-and-psychological and moral-and-psychological climate.

For students of all specialities studying psychology course of a leader's managerial activity.

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INTRODUCTION

In the period of social, political and economic crisis a society needs leaders who have mastered the skills in personnel management, can work in a team, capable of empathy, equal dialogue, ready to perform their activity on the basis of effective interaction. In this connection, the learning-and-educating process at a higher education establishment should be directed at disclosure of leader's potential, its creative development, formation of leader's qualities. It is in student years that organization abilities are disclosed to the full extent, skills and abilities of self-control and other people managing are shaped and developed as well as leader's qualities necessary for collective's effective management.

In the researches by I. Volkov, Yu Yemelianov, R. Krichevsky, B. Parygin, L. Umansky, et al. it was proved that in the structure of a leader's personality potential is expressed in terms of an individual system of organized implicit and hidden abilities which ensure the variety of directions for personal growth. Scientists claim that the experience of leader's behavior can be formed and allow for the possibility of teaching through development of corresponding leadership qualities which are actual in modern conditions.

Many theories view leadership as the process of organizing interpersonal relations in a group, and a leader as the subject controlling this process. Accordingly, on the leader's attitudes and decisions his/her point of view and understanding of events depend the people who interact with him/her.

The ability of managing others depends to a large extent on intellectual potential, professionalism, management style. Leadership effectiveness depends on personal traits and experience, on a person's self-evaluation, assertiveness, knowledge of one's weak and strong sides.

Before influencing others it is necessary to learn mastering one's own thoughts, emotions, behavior. Thus, the formation of a leader begins with self-governing. That is why of utmost importance for a leader are self-knowledge, understanding other people, evaluating one's own advantages and disadvantages, ability of drawing conclusions of one's successes and failures, of bearing responsibility for the results of activity.

Leadership qualities cannot be considered inborn. Some of them can be acquired as a result of learning and gaining experience. To become a leader it is necessary to own or develop a certain set of qualities and traits. That is why a great role in formation of students' leadership qualities is played by the teacher who should instill in specialists-to-be the understanding of the fact that "professional career is stipulated not only by the level of professional knowledge, but also by the ability of realizing them in social-and-organizational sphere and that the mentioned ability can be achieved by learning and development."

Mastering leadership qualities will enable students to become modern leaders. This includes the necessity of being a leader in one's life, perspective vision, openness, decisiveness, vigor, positive view of things, ability in listening, attentiveness and critical attitude, confidence and calmness, flexibility and responsiveness directed at a result, ability of recognizing one's own mistakes, ability of permanent learning, adequate self-evaluation, passion for work, ability to inspire people, charisma, competence.

Topic 1. Introduction to the Leader's Psychology of Management

1. What is it necessary to study the leadership phenomenon for?
2. The tasks of the leader's psychology of management course.
3. Complications in the defining of leadership.

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1. What is it necessary to study the leadership phenomenon for?

The progress of mankind in all spheres of life is decided upon by three to five per cent of outstanding personalities. These people possess a unique vision of the world, prognostic abilities, understanding of human nature, ability to lead other people. The people I am speaking about are leaders.

Leadership, within which persons of a certain mental set mobilize and lead a whole group is a bright example of willpower's manifestation. A chief's personality is of utmost importance.

In 1910 Norwegians and Englishmen participated in a historical discovery of the South Pole. Under the effective guidance by Ruahl Amundsen Norwegians discovered the South Pole, while the British led by incompetent Robert Falcon Scott were late. Scott himself and three other members of the expedition perished.

Some leaders are officially appointed or elected; others come forward informally in the process of group interactions. What exactly makes one a good leader depends to a large extent on

the situation: the best candidate for the position of a technical group supervisor may appear far from perfect for the commercial department. Some people perfectly fit the role of a technical group supervisor. They excellently organize the work, flawlessly set the desired standards, strive persistently for the set goal, while others are good at the roles of social leaders. They firmly unite a team, settle any conflict, always render support if necessary.

This is what Robin Sharma says on the essence of a real leader: **“To be a leader no titles are needed. Dream boldly. Live beautifully. And to the very last breath be a leader without a title.”** As for me, this is a very important thought reflecting the very essence of leadership. To lead other people, inspire them, activate them for new achievements one doesn’t need any titles, degrees, or regalia. One needs inner strength which is manifested both in cognitive, and in emotional, and in behavioral spheres.

Researches also show that many effective leaders of both small groups and huge corporations always listen to their employees’ opinions. By their aspiration to achieve their goal such leaders evoke trust of their employees. **You get the best from others when you yourself give to the people the best you have.** Any group, be it a working or a labor collective feels its leader very subtly. And if group members feel that their leader is devoted to the common case, is selfless, is poised at success, this adds to his credit even more and motivates employees on fruitful work.

Such leaders are often endowed with charisma of self-confidence that arouses their followers’ commitment. As a rule, a charismatic leader clearly *envisions* the desired state of things, (s)he is able to *express* everything in a simple and clear language and possesses sufficient resources of optimism to *inspire* them.

Apart from outstanding personal qualities, a charismatic person is distinctive by having ideas or an idea which (s)he is devoted to, and which seizes him/her completely. It serves as a solid foundation of his/her perception of the world and his/her role in it.

For Jesus Christ this was the idea of mankind’s moral purification, for Alexander the Great – the idea of conquest of the whole world, for Lenin – the rearrangement of society in the global scale, for Peter I – Russia’s grandeur, for Ghandi – his country’s independence, for Chenghis Khan – the onset of unshakable order in an anarchy society.

Despite of the fact that few possess charisma and innate giftedness, every person, each of you included, can develop the leadership capacity. **Small people have a space where to grow. Dreams, hopes, and joys will not come true if you don’t invest labor, blood, sweat, and tears.**

2. The tasks of the leader's psychology of management course.

Nowadays at technologically forward enterprises of industrial countries the most important place in exercising of managerial influence is taken by psychology which with utmost efficiency enables to perform interaction between a leader-executive and employees, to organize work in such a way that employees were satisfied to the maximum extent not only with the remuneration for their labor, but also enjoyed the process of labor itself.

To this effect managerial and leadership work should be filled with conscious psychological content and its being taken into account is not just a good intention, but an obligatory requirement for managers of all ranks. A modern organization's executive is not a soloist, but a conductor of a choir whose concurrence determines the harmonious evolvement of the cause he serves for.

The personnel training system of nearly all specialities includes such a subject as "Management Psychology". Work efficiency of any member of administrative staff at any level depends largely on the one hand on the ability to correctly evaluate their employees, to discover the motives of their behavior, and, on the other hand, on the ability to evaluate their own work correctly from the psychological point of view. Only a real leader can cope with performing such a wide spectrum of tasks.

This semester we are going to view the updated subject "Leader's Psychology of Management". This change in the title of the course is not accidental and is caused by several reasons.

Firstly, this is an ever growing interest of science in the problem of leadership. For many years the problem of leadership was not seriously considered by scientists. Most publications on this topic were mostly of popular science character. As for the latest years, scientists in many branches – psychologists, sociologists, and even neurophysiologists started paying their attention to the problems of leadership.

Secondly, the interest to the problems of leadership is caused by the growing practical needs not only in executives with managerial education, but in real leaders capable of inspiring others by their example.

The third reason is directly connected with our department. The leadership and management problems were central in our researches and the disciplines taught since the moment our department was founded. Developments in leadership topics, conducted by scientists of our department and by myself, got an acclaim not only in our country, but also abroad. A sign of recognition of our success in this sphere is our obtaining a grant on conducting scientific research on the topic of "Educational Leadership through Innovations, Technologies and Euro-integration" provided within the TEMPUS project.

This project is aimed at the leading higher education establishments which have an opportunity to ensure effective university management and guarantee quality of higher education in accordance with European values and national priorities of Ukraine.

The main applicant for the grant is Kaunas technological university (Lithuania).

As European partners act:

Tampere University (Finland),

Greenwich University (London, Great Britain),

Ranmore Consulting Group (London, Great Britain),

Antwerp University (Belgium),

Tallin University (Estonia).

Leader's psychology of management is a branch of psychology which studies psychological patterns of a leader's managerial activities.

The main task of the Leader's psychology of management is *the analysis of psychological conditions and peculiarities of a leader's managerial activities in order to increase effectiveness and quality of work within a management system.*

In essence, the psychology of management was called to solve the following two tasks:

- 1) personnel selection for performing various functions and to match one another according to their individual traits;
- 2) influencing employees' psyche through stimulation.

Considering the tasks of the "Leader's Psychology of Management" in more detail they can be expressed in the following way:

- Psychological analysis of an executive-leader's activity – for correct performance of collective's management and successful fulfillment of work activities an executive must be capable of realizing and analyzing his/her own actions depending on which correct managerial decisions will be taken in future;

- Studying the mechanisms of making psychic adjustments of collective's activity both in normal and extreme circumstances – studying all mechanisms of work activities will enhance correct decision-making both in normal and extreme conditions of an enterprise's operation;

- Research in leadership and its psychic peculiarities – this task is manifested in the research of leadership process in the course of which an individual personality influences the collective and organizes its activity. Executives must be characterized by distinctive leadership qualities in order to display an individual style in management of the working processes;

- Development of psychological managerial guidelines on practical application of psychological knowledge in the sphere of management, conflict-solving, and psychological micro-climate regulation in an organization's collectives – it is necessary to shape a stable

feeling of conviction in relation of the whole collective's work and its type of behavior. The most important indicator of the attitude to work activity is the feeling of satisfaction with the job;

- Studying the group interaction processes – quite often there can be seen arguments and disagreements, conflicts which subsequently are accompanied with painful affects and counteractions to common aims, interests, opinions, and positions. To eliminate or to control a conflict a manager must come up with a common goal and direct the collective on its accomplishment; explain the authority and responsibilities of every employee, etc. Thus, a manager must attain a stable microclimate within the collective in every possible way;

- Research of ways and mechanisms to motivate employees – motivation is the scope of processes sustaining and directing the behaviors of organization's employees. Motivational measures activate an employee's personality and induce to gain the most significant aim. Without doubt, motivation must be held taking into consideration peculiarities in development of every individual personality, as well as by setting the goals which can be achieved by a particular personality.

Leader's management process is carried out in the course of an executive's activity in which the following elements are singled out by psychology of management:

- diagnostics and prognostication of the state and changes in a managerial subsystem;
- creating a program of employees' activity directed at changing the states of the controlled object in the preset direction;
- organizing the execution of decision.

In the executive-leader's personality, psychology of management distinguishes his/her managerial needs and abilities as well as his/her individual managerial concept which includes ultimate objective, problem content, managerial concept, and inner, taken by the personality, principles and rules of management.

Thus, knowledge of management's regularities, of psychological peculiarities of a person's behavior within an organization are viewed today as an intrinsic component of psychological managerial culture of a specialist-manager's personality.

A modern manager-leader's activity directly depends on skillful use of human factor. An executive must possess certain managerial qualities to influence in a desired way both subordinate people and those who are not accountable to him/her, but on whom depends the functioning of the whole organization.

A leader's psychological knowledge enables him/her to better know and understand both himself/herself and other people, first of all employees. Knowledge of human psyche supposes identification and evaluation of human's psychological qualities, state, directedness, relations, and peculiarities of cognitive, emotional, and volitional sphere. Psychological knowledge help

managers and entrepreneurs to better interact with people, establish psychological contact with them, exert influence on them if necessary, communicate with people effectively, guide the staff, train and educate young employees, establish a favorable microclimate in a collective, shape and develop positive motivation of work and creative activity.

The primary aim of our course is for you to form an idea of the role and multifaceted content of psychological component of a leader's managerial activity, increasing psychological culture of future specialist for successful realization of professional activity and self-improvement.

During this semester we will view:

- An organization as a structural social entity
- Executive's personality and content of his/her professionally essential qualities
- Styles of management
- Leadership
- Relations between a person and a group and peculiarities of team-work
- Motivation of labour
- Methods of psychological influence
- Social-psychological climate in a collective
- Conflict and extreme situations in a collective

and many other items.

3. Complications in the defining of leadership.

Probably no other topic connected with people's social position has ever caused such a great interest among sociologists, psychologists, philosophers, and other specialists in the area of humanitarian knowledge like the topic of leadership. In the world there have been gained brilliant military victories, created powerful empires and corporations, and all this was thanks to foresight and guidance of outstanding leaders. Leaders' behavior, their decisions (especially in politics) affect destinies of many millions of people.

Practically all people being members of work collectives experience the impact of leaders, comply with decisions taken by executives (managers). On the decisions taken by leaders depends political and economic state of society, work collectives, well-being of millions of families. At first, researches on leadership concentrated on a considerably small number of great people and pronounced leaders working in organizations, and probably possessing certain traits which were inherent to them to various degrees.

In the middle of the XXth century scientific research in the area of leadership faced the fact that they constantly had to deal with a very big number of exceptions relating to particular traits of a leader's character.

That is why the researchers' focus of attention shifted to a leader's behavior, methods of management peculiar to him/her, and hence to a leader's notions of his/her subordinates and so on. At present, many scientists think that a leader's success should consist in correspondence of his/her reaction with the situation (s)he is facing.

Leadership takes place within a group of people who have to solve problems affecting their interests. In the process there appears an intricate complex of relations between the leader and the other group-members. It is impossible to embrace all of them in a single definition.

The most consistent classification of leadership in a broad sense was proposed by American researcher R. Stogdill who classified all the leadership definitions according to 11 key concepts. I'll provide here this classification in an abridged form.

1. *Leadership as the center of group interests.* The leader is a spiritually-emotional center of the group, an expression of power in one person. (S)he determines the group's structure, atmosphere, ideology, and group interests.

2. *Leadership as manifestation of personality qualities.* This group of concepts has enabled to reveal a certain optimal set of personality characteristics enhancing success in winning and holding the leadership position.

3. *Leadership as an art of consent attainment.* The ability to attain consensus, loyalty, and cooperation on behalf of subordinates, the ability to settle conflicts – such leadership is called the consensual one. Here, leadership is an instrument of submission of the group to the leader's will.

4. *Leadership as action and behavior.* Here, stress is made on leadership's behavioral aspects: a leader's behavior is any of his/her actions, undertaken by him/her to manage and coordinate the work of the whole group (e.g. distribution of duties, encouragement and criticism of group-members, motivation to achieve better results, etc.).

5. *Leadership as an instrument of reaching a goal or a desired result.* In these concepts leadership effectiveness is directly connected with the satisfaction of the group's needs.

6. *Leadership as interaction.* In this case leadership is understood as an effect of a group action. According to this approach, a necessary condition for a successful leadership is its realizing, and support on behalf of group-members, such interpersonal relations when group-members fulfil a task because they want to do it.

7. *Leadership as the ability to persuade.* There is a difference between a leader and management. If the latter is the art of compulsion and use of force or a threat to use force in order to make people follow in a certain direction, a leader governs with the help of persuasion, incentives, and by means of his/her own example. Such behavior of a leader is characteristic of many political and social organizations, mostly informal ones.

8. *Leadership as exercise of influence.* Leadership is viewed as a process of influencing an organized group's activity, complementing norms and prescriptions for accomplishing a task. In this case a great importance is attached to analysis of interpersonal relations.

9. *Leadership as relations of power.* This is a specific form of leadership relations, an ability of one individual to dominate the others and overcome resistance of the followers (employees). If one individual in a group can achieve the change in another individual's behavior, we deal with an act of leadership.

10. *Leadership as role differentiation.* This definition is based on the role theory of modern sociology, according to which all members of society – groups and public organizations occupy a certain place within the system of social statuses. Every participant of leadership-subordination relations plays a definite role, and leadership can be viewed as role differentiation. The basis of such differentiation is the process of interaction and mutual influence between the group-members when one individual influences others, while they react to this influence.

11. *Leadership as initiation or construction of group structure.* Here leadership is viewed as a process originating and sustaining a group's role structure. A leader tries to construct its structure in a way that could legitimate his/her leader's status. These processes are of special importance on the stages of establishing new collectives whose structure is still not stable in character.

This example of classification of leadership definitions demonstrate that it is impossible to come up with a single unambiguous definition of leadership which would embrace all its aspects. Nevertheless the task gets simpler if the issue is *organizational leadership*, or leadership in an organization.

This is connected with the fact that an organization can be easily defined as a group uniting two or more people on the basis of a statute, agreement, contract, or any other document regulating their position in the organization who consciously act for achieving a goal.

Let us make use of the following definition of organizational leadership:

“Leadership is a type of managerial interaction between the leader and the followers based on the most effective for the particular situation combination of various sources of power directed at inspiring people to achieve common goals”.

Topic 2. Psychology of Leader's Management as a Science

1. Introduction to the psychology of leader's management
2. Management in leader's activities: science and art
3. Functions and principles of leader's management
4. Psychological laws of leader's management

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1. Management in leader's activities as science and art

Management is considered to be simultaneously the oldest art and the most modern science. As a science, management represents an ever cumulating totality of knowledge and methods of its obtaining. Psychology of management is in constant quest for new data on the nature of a person's influencing another individual, a group, or a society as a whole in order to comprehend and explain the mechanisms of this influence and ways to improve them.

In the broadest sense, management is understood as systematically applied, conscious, deliberate influencing people, or social system in general or some of its elements on the basis of cognizance and use of objective regularities and tendencies to ensure society's functioning, development, and attainment of set goals. In a narrower sense, **management is a function** of systems, quite different in their nature (biological, social, technical ones), a function which ensures their particular structure preservation, maintaining their functioning routine, realization of the program to achieve the aim of their activity.

Management is a process which reflects a consecutive change in a system's states, a time dimension, a system's development and spatial changes. A management process in its simplest form is an executive's activity in the collective subordinated to him/her by means of which the connection of labor of this collective's members takes place. This connection is achieved by an incessant process of managerial activity which includes not only an executive's current orders (discrete process), but also permanently standing regulations and standards (continuous process) by means of this influence is made.

As for managerial influence, it is comprised of various forms of leader's influencing his/her followers in order to change the means of his/her functioning by changing the composition or interaction of the controlled object's elements.

Psychology of leader's management has the object of research peculiar exclusively to it – it studies regularities in managerial process organization and interactions between people occurring in the course of this process, it defines methodological foundations corresponding to the studied object's specifics, develops the system and methods of active influencing the controlled object, and also defines the ways to foresee and prognosticate the studied processes. The description of psychological phenomena and bringing them in a system, the disclosure of regularities and identification of causal relationships between them to develop practical conclusions and recommendations – these are the main tasks for psychology of management as a science. Besides, psychology as a science analyses psychological conditions and peculiarities of managerial activity in order to increase work effectiveness and quality in management system.

Managerial process is carried out by means of executive-leader's activity in which, as it is known, the main directions are the following: diagnostics and prognostication of states and changes in an organization's management subsystem, formation of employee's activity program, optimizing the activity of executive him/herself.

Psychology of management also studies peculiarities of executive's personality: his/her managerial needs and abilities, individual managerial concept including the mission and vision, managerial intentions, as well as adopted by him/her inner principles and management rules. Psychology of management also studies the ways of how executives interact in hierarchically composed managerial subsystem, their compatibility or harmonious work determining successful functioning of the system as a whole.

However, it is far from always that management can lean on deductive and experimental methods of cognition, for the studied phenomena cannot be isolated from the influence of a

number of factors. Management also possesses one more special instrument which is intuition. Of course, intuition is based on empiric and theoretical knowledge of the studied phenomenon, but the suddenness of the intuition mechanism's activation, subconsciousness of mental processes leading to the correct decision testify the close connection of science with its exact methods and art with its insight and inspiration. A good executive possesses managerial flair or gut feeling which prompts him/her correct decision in those cases when it is difficult to assume correct behavior or to take a correct decision in a rational way.

Managers of all ranks are in permanent contact with the changing social environment and different people and must take decisions considering accidental occurrences and specific situations relying on their experience and intuition. Creative search for optimal, non-standard decision impart to management some traits peculiar to arts. More over, a number of prominent scientists and practitioners such as G. Kunz, S. O'Donnell and others categorically insist that management is primarily an art. They state that "the process of management is an art, the essence of which lies in application of science (the basics of the organized knowledge in the sphere of management) to realities of any situation". But this art leans on science. "Although management activity is art, persons doing it will achieve better results if they understand and use science lying in the foundations of this art. When importance and effectiveness of group cooperation are recognized in any society, it's possible to firmly assert that management is the most important of all arts."

Nearly in all spheres of human activity art and science do not exclude, but supplement one another. In management, when as a result of group interaction any decision differs from the variants offered by individual people, the ability of finding a reasonable compromise with minimal losses is the manifestation of the executive's art. Despite the impossibility of everyone's mastering this art, as any other kinds of it, as a matter of fact, knowing the basics of the art of management, trying to use its most important principles and methods is the duty of any specialist and of an executive at any level.

An executive-manager should be an outstanding person who is able to use in a mastery fashion the arts of communication, persuasion, dialogue, to possess a sharp, uncommon mind, and considerable erudition in many areas of knowledge. But due to the fact that he/she deals first of all with people, he/she must know all the nuances of "human engineering" and possess broad knowledge in humanities and psychology.

In its broadest sense the term "art" may be applied to any sphere of human activity when a job is made skillfully, artfully, in a mastery fashion in both technological and aesthetic sense.

Art is manifested as an ability to improvise, high proficiency to combine separate elements of knowledge and intuition into new, previously unknown combinations. At the same time, it develops creative imagination, enhances a personality's moral self-determination and self-awareness, it shapes aesthetic tastes and ideals. If art is an activity directed at studying and figurative modelling of the surrounding world, then the art of management corresponds to this principle, because an executive must constantly study the arising real situations and creatively model the variants of the managerial decision being considered. But this is a special art, because it has absorbed the world achievements of psychology, logic, rhetoric, ethics, philosophy, law, as well as methods to influence personality.

Personnel's professional training is one of highly-profitable investments because only having fulfilled this task can we raise to the level of highest economic achievements and social problems' solving.

Thus, for effective management it is important to know its theoretical bases, to have practical experience, and be able to use theory and practice creatively, i.e. to master both science and art of management.

2. Functions and principles of leader's management

Analysis of the managerial process' dynamic nature is carried out to a considerable degree by means of the management function classification which embraces the most important and stable managerial actions at particular stages of the managerial process. To such functions one can ascribe the following: prognosticating, planning, information gathering and analysis, preparation and taking a managerial decision, organization, regulating and coordination, control and evaluation of the managerial decisions.

Let's view briefly the essence of each of the mentioned managerial functions:

1. Function of prognostication represents the most creative element of management which includes the most perspective point of contact of foresight with reality. Prognostication is based on the ample arsenal of means of logical, sociological, statistical, and economic character. Being a conclusion derived from the most obvious final tendencies of development, prognostication makes it possible to compile multi-variant models of the future and acts as the highest form of cognizance of surrounding world, which discloses inner interconnections and factors influencing social development, enables not only to state the most important problems, but also find their solution.

2. **Planning** is the process of preparation of a totality of decisions for future actions aimed at goals' achievement by using optimal means. By way of planning there is achieved efforts coordination of all divisions, all employees to achieve the set goals. Planning is the basis of all managerial functions.

3. **Processing of information** is one of the stages of managerial process. Information is a system of data reflecting the objective world. Nevertheless, it does not mean that the notion of information expels the category of reflecting. In philosophy literature there has been pointed out the fallacy of such understanding, as information is a special kind of objective motion in nature, society, in human body.

Information in management serves as its most important feeding source, it enables to correctly orientate in an ever changing environment, to percept and analyze it, to plan the most appropriate managerial actions.

That is why of quite considerable importance is not only the study of the whole information system, but also its classification by content: political, economic, legal, etc.; the study of principles of information handling (objectivity, timeliness, correspondence to the character of the controlling subject's functions, correlation between primary and secondary information, etc.); the study of the information carrier (documents, including laws, the press, science literature, printouts, data cards, punch tapes, etc.). There are strict rules of data collection, information processing and analysis.

4. **Managerial decision** is the following stage of managerial process. Departing from the point that target determination in social management is its most characteristic feature, one can assume that managerial cycle certainly starts from decision. Of course, goals and tasks setting is inherent in the most common form in both the primary function of management and the following ones. But, nevertheless the task-setting and defining the means to achieve them is intrinsic in just the decision which in this sense is the beginning, the starting point of the movement in the managerial process. Such movement is a precisely calculated program of all the managerial actions, and this program is obligatory by its nature. The whole managerial cycle is subordinated to the general concept of the decision which expresses with utmost intensity the managerial impact on the controlled system, and which contains its most essential "concentrate", so to say. The process of decision-making as if gravitates other managerial functions for their final expression, for it is decision that has instructive-and-authoritative form.

5. Then follows such function as **organization**. Here we will not consider the general discussion problem concerning correlation between the terms of “management” and “organization” because at this stage it is irrelevant for us. The “organization” function is understood as the kind of managerial actions connected with the structure formation of controlling and controlled system. The issue is the formation of governing bodies, their structure, personnel, legal reglamentation, material security, scientific management of labor, sociology of small groups, etc. This arrangement of the aforementioned directions of work organization is, in a way, an initial condition for ensuring the process of functioning of both subjects and objects of management.

6. **Adjustment and coordination** are also one of the functions of management. According to the general theory of management, there arises the necessity not only to keep, but also constantly sustain the state of the system’s order in the whole, its qualitative distinctness. The environment’s influence, of outer factors lead sometimes to undesirable impacts on the controlling system, influences the extent of the system’s fulfilling its tasks, the interconnection of the subject and object of management. It is adjustment as a managerial function that is called upon to constantly decrease the “entropy” of management system, and coordination – to ensure the correct correlation of various departments, the subjects of the controlled object.

As for the forms of the management process regulations themselves, they possess a huge potential. That is why the problem of choice and correct correlation of forms and methods of managerial activity is of utmost importance in the adjustment process.

7. And finally, to the number of managerial functions we should relate **the control and evaluation of the managerial decisions’ results**. Thanks to the checking of the execution of taken decisions and all-round control of their fulfilment there is analyzed the real composite situation in the controlled system, and the degree of its deviation is thus established. In this case, by using the system of control and that of analysis of the information coming from controlled objects, and statistical data (all that can be viewed in complex as availability of feedback between the controlling and the controlled systems) there appears an opportunity to make an estimation of managerial decisions and actions’ effectiveness by using scientifically grounded evaluation criteria. The whole complex of the data obtained from such an analysis enables to not only take into account the changes occurring in the process of the controlled system, but also to prepare new material, new decisions for further maintaining of management process.

The essence of management is disclosed not only through its functions, but through its principles as well. Let's view in more detail these principles and their content presented in the following table:

1. One-man (sole) management principle	People react better to the fact that they are headed by only one person.
2. Motivation principle	The better the executives develop and implement methods of incentives and sanctions, analyze them considering all unforeseen circumstances, integrate them into management system, the more effective result of the stimulation process will be.
3. Leadership principle	People are liable to follow promptly the executive in whom they see a possibility of accomplishing their own goals. The more the executives realize the action of motivational factors, the stronger these factors influence the result of managerial functions' performing, and consequently, the more effective is the leader's work.
4. Principle of scientific content	This principle lies in the constructing the whole management system on the latest achievements of science.
5. Responsibility principle	These are certain instructions, regulations, and the system of financial liability and administrative responsibility. Clear statement of orders and instructions, directed at increasing of exactingness and qualitative performance of professional duties and tasks placed on every employee in strictly set time limits.
6. Principle of correct personnel selection and placing	Under conditions of civilized personnel selection it is maintained only on the basis of applicants' merits.
7. Principle of economy	Profit is not only an organization's net income, but also reasonable expenses on reproduction of labor potential and material resources.
8. Principle of information support	This is not only obtaining information on the work results, but also the presence of feedback which enables to compare the actual state of the controlled system with the preset plan.
9. Principle of labor division	Labor division is a necessary and natural process of specializing in manufacture the goal of which is fulfilling a work of a larger volume and of better quality at the same preset conditions of integrity. This result is achieved on account of reduction in the number of goals

	at which the attention and efforts of employees have to be directed.
10. Principle of authority	Authority (or power) is the right to apply, use, organizing-and-executive methods of management – not only to give orders, instructions, but also bear responsibility which acts as the opposite of authority. Where authority is given, there certainly appears responsibility as well.
11. Principle of discipline	Discipline supposes fulfilling and respect of all the points of an agreement concluded between a company and its employees. The prescribed agreements between them define the rights and duties of the two parties of these relations. And the elaboration and reflecting of disciplinary demands to the employees in such an agreement is one of the main executive's tasks. The very notion of discipline by all means presupposes a fair use of administrative sanctions if being broken.
12. Principle of personal interests' subordination	Interests of a separate employee or a whole group must not prevail over the goals, tasks, and interests of the company and organization as a whole.
13. Centralization principle	Both differentiation and centralization of a process are a natural process in management. Nevertheless, the corresponding extent of the managerial process' centralization will vary depending on specific conditions of management. That's why there arises a question of a rational proportion between centralizing and decentralizing. This problem lies in the estimation of measure which can ensure the most effective results.
14. Principle of scalar chain	A scalar chain is a certain number of managerial personnel of a system's hierarchal management system starting from the top-rank executive to a manager on the shop-floor. It would be a mistake to discard the present hierarchal management structures without necessity. Nevertheless it would be a greater mistake to maintain an hierarchal structure which causes damage to business interests.

3. Psychological laws of leader's management

Psychology of management as a branch of practical psychology also studies the laws of managerial activity. The laws of psychology of management are manifested in the interaction in interpersonal relations and in group communication and like any other laws they act regardless of our awareness of their existence. The main laws of psychology of management and of managerial activity as a whole are the following:

1. The law of response uncertainty.
2. The law of inadequacy of mutual perception.
3. The law of self-estimation inadequacy.
4. The law of information distortion.
5. The law of self-preservation.
6. The law of compensation.

Let's view each of them.

The law of response uncertainty is called the law of dependency of internal influences on earlier psychological conditions. It is based on two psychological phenomena – the apparent and on the presence of mind stereotypes. The apparent is the dependence of perception on previous experience. Mind stereotypes are stable opinions, estimations, judgements which incorrectly and incompletely reflect the reality and influence behavior, creating obvious or hidden communication barriers.

This law states that different people at different time can react differently to the same influences. In response to rudeness one person will act rudely, another will make no objections, and the third will try to appease the rude fellow. “We are unable to foresee how our word will be responded,” – these Tiutchev's words reflect the essence of the law of response uncertainty. An executive should bear in mind another manifestation of this law: even the same person at different times can react quite differently to the same influence. A number of inner psychological factors (mood, emotional state, etc.) seriously affect, and sometimes determine a person's reactions in specific situations. And it is impossible to take into consideration all of these factors. You shouldn't suppose that it is possible at all times and at all places to predict a person's reaction (response) to some action of yours. The response cannot be foreseen – this is indisputable law of psychology of management.

For instance, an executive gives an order and hopes that it will be carried out (expects a certain response). Sometimes this is exactly what happens, but sometimes not. Let us imagine

that the order has been carried out incorrectly, wrong, or hasn't been carried out at all. The executive finds out the reasons of not fulfilling the order from the employee, and at the same time analyzes the situation. In this situation both of them under the influence of apperception and stereotypes of mind may have their own, sometimes diametrically opposite explanations of the given fact. An executive may consider his/her employee an idler or a saboteur. An employee, in his/her turn, may find dozens of "objective" circumstances to justify him/herself. Both the executive and the employee are making a mistake: the former because of having selected a wrong way of interaction with the employee, while the latter – because of having chosen a wrong way of defense.

The law of inadequacy of mutual perception is that a person can never cognize another person with completeness that would be satisfactory for taking serious decisions about that person. Our perception is "made up" in such a way that it is practically never quite adequate, correct, or complete. Even the commonest object in front of our eyes is never perceived by us in full and completely, but we always see it from some viewpoint, that is only that part of it which gets into our field of vision and directly influences our receptors.

Such distortion is caused by many reasons, the main of which being the following:

1) A person is constantly in a state of changing. It is known that at any moment every person can be at different levels of physical, physiological, intellectual, social, ethical, emotional, and sexual development.

2) A human always tries consciously or unconsciously to protect oneself from attempts to disclose his/her "weak spots" in order not to become a victim of somebody's manipulations.

3) Often a person cannot provide exhaustive information about oneself because (s)he doesn't know oneself completely. And sometimes a person without realizing it tries to seem not the way (s)he really is, but the way (s)he wants other people to see him/her. Psychologists insist that perception inadequacy and a person's desire to show oneself better than (s)he is must be taken into account when making any managerial decision.

In carrying out managerial activity considering the law of perception inadequacy executives should apply the following principles in developing their approach to people:

a) **the principle of the universal giftedness** which from the manager's point of view takes the form of the motto: "There are no untalented, incapable people. There are people who are doing work they are not cut for";

b) **the principle of development** lies in the fact that capabilities (both general and specific) can be developed;

c) **the principle of inexhaustibility** indicates that not a single assessment of a person can be considered as final;

The law of self-evaluation's inadequacy. The essence lies in the fact that while trying to evaluate oneself a person faces the same inner barriers and limitations as when evaluating other people. Self-evaluation is known to be seldom adequate – it is either overrated, or underrated. A person is liable to overestimate oneself in something and at the same time to underestimate oneself in other things, and this leaves its imprint on the conclusions one makes about oneself. A human is not only a rational, logical, and intelligent being, it is also an emotional, irrational, and sometimes unreasonable being, which is why the hidden inner motive forces making a person act in a certain way, are sometimes not realized by the person. It is for this reason that logical, rational self-analysis (as well as that of other people) is never quite adequate.

The law of information distortion. It is sometimes called the law of the loss of sense of managerial information or the law of managerial information splitting. The essence of this law is that managerial information (directives, orders, instructions, etc.) has a tendency of changing its meaning in the process of its movement “downwards” In the basis of the loss of information's meaning lies the language in which the information is rendered. No matter how strict and exact are the notions used in a language there is always a possibility of different interpreting of the same message. It is established that the correctness of spoken information perception is up to 50%.

If the information is incomplete, with limited access, and the employees' need in obtaining operational data is satisfied incompletely, it is unavoidable that people start to guesswork, invent, complete what they know relying on unverified facts and their own guesses. And then the information may not only diminish in volume, but also increase. Besides, people perceiving and transmitting information differ from each other by their levels in education, intellectual development, needs, and by their physical and mental states. This also makes an imprint on the process of information transmitting. To make the distortion minimal specialists recommend the following:

1) to decrease as far as possible the number of transfer links taking part in the process of information transmission.

2) to provide timely employees with the information they need on the problems they are to solve.

3) to maintain feedback with the employees in order to control the correctness of the data they get.

The law of self-preservation consists in that one of the leading motives defining humans' behavior is the desire to preserve their personal status, competency, dignity. Direct or indirect hurting dignity causes negative reaction. For instance, at an operational meeting the executive offers that the present express their opinion on some question. One of the staff reacted immediately, but (s)he said something not to the point. "You always start with nonsense," the executive answered. In such a situation the consciousness of all the present switches from the discussion to the defense of their dignity. It means that a person starts thinking of not getting into the first speaker's shoes. People stop working on the set problem, and try to guess the executive's position. And this decreases the creative potential of the meeting participants who solve a problem collectively.

The law of compensation generally means that a person having some shortcomings, complications, or problems in one sphere of life tries consciously or unconsciously to compensate them by intensified work in another sphere. As to psychology of management it means that at high levels of stimulation for a certain work or high demands to a person, the lack in some abilities to this kind of activity is compensated by other skills or competency and abilities to work. If this happens unconsciously, the necessary experience is gained by trial-and-error method. But if compensation takes place consciously, its effect may be amplified. For example, weak memory can be compensated by skilfully organized labor and using a system of information fixation: notebooks, dictating machines, organizers, etc.

Thus, the result of an executive's activity is basically influenced by his/her capability of building the managerial process taking into consideration the laws and regularities of a collective's psychic and social development, individual approach to people that is based on the achievements of modern psychology of management.

Topic 3. Psychological Theories of Management

1. Theory and practice of management

- Europe
- the USA
- Japan
- Russia

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1. Theory and Practice of Management

The history of management goes back deep into the past, thousands years before the new era. Back in Ancient Egypt there have been formed distinctive features of managerial science-to-be, in particular there was recognized the necessity of planning, organizing and control, of management processes' centralizing. Such philosophers of Ancient Greece as Socrates, Plato, and Aristotle expressed their views on state management and that of slaveholding estates.

There were three factors that served as an incentive to theory of management shaping, namely, exhaustion of the extensive way of development, aggravation of competitiveness, and intensification of the search enterprises operation efficiency improvement on account of internal resources. As a result of these factors' influence and in connection with the emergence of scientific foundations for research in this sphere, in the beginning of the XXth century there were laid the bases of management in the European and American sciences.

Europe

As the foundation for management's emergence and development there served the works by Max Weber (1864 – 1920). In his books “The history of economy” and “Protestant ethics and the spirit of capitalism” Weber analyzed the spiritual sources of Protestantism in the ethics of labor at capitalist enterprises. He believed that in the basis of capitalistic organization of an enterprise lies the idea of labor actions' rationalization. Weber introduced the notion of “ideal type of action” and sorted out four such types:

- a) traditional;
- b) affective;
- c) value-rational;
- d) aim-and-rational.

The last one, **the aim-and-rational** type of activity, became, according to Weber, the dominant one at a capitalist enterprise. The rationalization process was being introduced gradually and represented a systematic displacing of historically outdated, irrational, affective, traditional actions of workers. This process enabled to shape rational economy ethics which included rational book-keeping, rational technics, and rational law. Relying on the notion of rationality, Weber distinguished two types of capitalists: irrational (archaic, adventurous, merchant), and rational (productive). **The irrational type** of capitalist originated within the tribal system with natural economy and unequal exchange of goods. Activities of such a capitalist came to getting profit, money, by means of resale of goods. But resale didn't increase the number of goods on the market, and thus, society did not enrich. The appearing of the second type of capitalist, **the rational** one, was enhanced by the church reformation. The values of rationalism, freedom, individuality that appeared in the Protestantism as the understanding and demand for freedom of religion and those of the possibility of individual communication with God took later the social meaning and were transferred to the labor activity and people's way of life. Weber noted that it was Protestantism that gave rise to the idea of “the necessity to find confirmation of one's belief in the secular professional activity”. The rational capitalist turned money from a goal into a means. He created industrial enterprises for turning out new goods, provided citizens with new work-places, enhanced the invention of new technologies, new means of labor, etc. The principal difference between the capitalists of the first and the second type is in moral and ethical attitude to labor. In Protestantism labor got a religious sense, became the meaning of life, a moral value. Labor is a mission of a person, a way of doing good to other people.

Historically, the two types of capitalists coexisted at the same time, but for modern creative capitalism consolidation it was necessary that a human of rational type with new ethics and labor organization became dominant in society. Thus, gradually there formed a new, rational type of behavior and new social structures – systems of governing, education, and science. These new structures were described by Weber in his Theory of bureaucracy. He stated that bureaucracy is an unavoidable and the most effective type of rational organization of management. An employee is more liable to obey rational rules than just orders and instructions of a superior executive. The administrative apparatus that carried out rational work organization was called “bureaucracy” by Weber.

Weber’s ideas of rationalization of labor activities and of enterprises’ bureaucratizing served as a foundation for development of the principles of management and the creation of “modern management” school. The fundamental works for management were those by Henri Fayolle (1841 -1925), a French engineer, scientist, and entrepreneur, a founder of school of administrative management. For 20 years he was the managing director of a huge mining and metallurgical company. Thanks to his works “General and Industrial Administating” and “The Basics of Management” he earned a reputation of the brightest figure of the European direction of scientific management. Faiyolle is believed to be the author of the first and quite complete theory of management.

Faiyolle considered management as a process consisting of several interconnected functions: planning, organization, motivation, and supervision. He stated that a company must have a **plan of action** which is based on the following:

- the company’s resources (capital, building, raw material, marketing network, reputation, etc.);
- accounting of the volume and price of unfinished production;
- future trends, depending on technical, financial, commercial, and other conditions.

Organization of managerial activity supposes:

- provision of careful planning and strict execution of the plan;
- supervising that the enterprise’s personnel and material components correspond to the company’s aims, resources, and needs.

As the main criterion of an executive’s workload Faiyolle proposed to consider the rational “**control range**” expressed in the number of subordinates to one executive. He was the first to show quite logically that production management is permeated by psychology. According

to him, the main thing is taking into account human relationships. As an item of special concern Faiyolle believed the matter of managers' and employees' interactions with each other and between these two groups. He defined authorities as "the right to give orders and demand submission" and distinguished between a manager's official authorities received through his position and personal prestige whose components are intellect, experience, moral merits, ability of leadership, previous services, etc. Alongside with professional selection he considered very important to ensure a stable, settled employees collective for an enterprise. Unlike Taylor, he didn't consider decision-making at an enterprise as a privilege of only top-managers. His position in this question has later led to the proliferation of **the principle of "delegating authority"**. Faiyolle raised the question of the necessity of managerial activity's being singled out into a separate research object. He insisted on the necessity of teaching management at education establishments. Faiyolle was one of the first to pay attention to the role of managers' personal individual-and-psychological peculiarities from the point of view of their influencing the enterprise's successful operation.

Faiyolle formulated the fourteen principles of management which are nowadays still recognized by specialists:

1. Discipline, i.e. obeying and respect of the reached agreements between a company and its employees. Discipline also supposes sanctions which are to be applied fairly.
2. Employees' remuneration, including fair wages.
3. Fairness: a combination of kindness and justice.
4. Corporative spirit, i.e. personnel's harmony, their unity.
5. Subjugating personal interests to the common ones. Interests of an individual employee or a group must not prevail over those of the company.
6. Division of labor, i.e. specialization. Its aim is carrying out a job of a larger volume and better quality under the same conditions.
7. Authority and responsibility. Authority is the right to give an order, and responsibility is opposite to it.
8. One-man management. An employee should get orders from only one person – the immediate executive.
9. Direction unity. Each group acting for the same purpose should be united by a single plan and have one executive.

10. Centralization. The issue is the correct proportion between centralization and decentralization. This is the problem of measure determining which will ensure better results.
11. Scalar chain. This is a number of persons working on governing positions, starting from the person holding the topmost position to a manager of the lowest rank.
12. Order. There should be a place for everything and everything should be in its place.
13. Work-place stability for the employees. High employee turnover decreases an organization's effectiveness.
14. Initiative. It means development of a plan and ensuring its successful realization. This imparts strength and energy to an organization.

Faiyolle synthesized the ideas of one-man management and those of functional administrating that was put into the basis of the modern theory of organization. The fourteen principles offered by him contained the elements of "human resources" management ("personnel management" as it is customary to call it nowadays) which later got a wide proliferation in America.

The USA

The «Scientific management» School.

The research undertaken by an American engineer and manager Frederic Winslow Taylor (1856 – 1915) gave rise to a social movement which later was named "scientific management" or the school of "scientific managing". Taylor formulated the principles of evaluation and rationalization of labor expenditures, and of production management. By studying work operations Taylor found and grounded the ways to improve them. By means of work motions analysis and timing them, he developed original catalogues of operations describing the most rational procedures of task completing, as well as time norms necessary to carry out individual tasks. And for the first time for determining the time norms he used the possibilities provided by statistical analysis. In accordance with the idea of social distribution of labor, Taylor fixed the planning function for the manager while an employee's function was that of execution. For scientific organization of production, Taylor introduces three principles:

1. The functional differentiation principle which lies in grouping of tasks when forming individual work-places. Employees were given written instructions (pre-scripted tasks) which were a detailed description of individual operation tasks and ways to solve them.

2. Specialization principle substantiating the idea that every person's work should be limited by carrying out one leading function if possible.

3. The principle of incentive. It is believed that by his works Taylor laid the foundations of the concept of "homo economicus", "economy man" in which the principle of incentive occupies the decisive role. Taylor thought that an employee shouldn't get more than (s)he produced and recommended piece-rate system as a motivation means.

Taylor's ideas got subsequent development in the works by American married couple of researchers Frank (1868 – 1924) and Lilian (1878 – 1972) Lillian Gilbreth.

Frank Gilbreth was the first in the USA to organize systematic instructors training in scientific organization of labor (SOL). He initiated the creation of the first American committee "on fighting fatigue". Gilbreth developed the concept of the correct choice of profession. He stressed that the most important thing in life is "a person in the right place". According to him, the essence of the SOL is that everyone should do the work for which his/her physical and mental traits fit best. In the final analysis, everyone should experience joy from work, which in itself is the base of SOL's success. A special attention was paid by Gilbreth to a person's attitude to work. He was an active supporter of involving psychologists when solving production problems, including for the provision of needed cooperation between the employers and the employees.

Thus, unlike Taylor, Frank Gilbreth displayed a more pronounced orientation on "human factor". In this respect he was obviously influenced by cooperation with his wife Lilian Gilbreth who was the first American woman to obtain the qualification of Doctor of Psychology. It was psychological aspect of SOL that interested her most of all. Lilian continued her husband's cause by actively involving the possibilities of psychological science into the interpretation of the obtained results. She wrote the first book in history with the title "Psychology of an Enterprise Management". In her opinion, scientific management supposed employees' moral development as well, which was ensured by cultivation of the feeling of responsibility for themselves and others, the feeling of professional pride, ability to self-control, the feeling of justice. She connected the successfulness of management with human psyche when the work itself is a "great educator". A good system of management, as L. Gilbreth thought, must not only be orientated on professional, mental, and moral development of employees, but also shape their desire for a healthy way of life.

The ideas expressed by the scientists of “scientific management” school have led to the creation of ideological concept which got the name of “revolution of managers”. According to this concept, the new class of hired employees – managers – in an ever greater extent expels the old elite – the owners-capitalists, and plays the decisive role in the development of modern society.

The school of “human relationships”

Since the end of 1930s, in foreign papers there began to appear ever more often critical remarks concerning representatives of “scientific management” school. There were criticized mechanistic and biological viewings of a human involved in production, prevailing orientation on economic problems of organizations. An ever greater understanding got the psychologists’ opinions that human’s motivation for a more productive work can be enticed by stimuli other than material remuneration.

In 1940s there forms the school of “human relationships” as an alternative to management directed mainly at the final result. Not denying all the useful that Taylor and his followers created concerning production rationalization, the supporters of this school were trying to fill their methods with humane content.

Mary Parker Follet (1868 – 1933) was one of the first Americans to show special interest to the questions of management psychology, especially stressing the study of human relations. She also attempted to establish a close connection between the stages of management’s evolution – scientific and administrative management, and the school of human relationships.

The most well-known representative of the school of “human relationships” was an American sociologist and psychologist Elton Mayo (1880 – 1949). He is considered to be one of the founders of industrial sociology and social psychology. Mayo in his books “Human problems of industrial civilization” (1945), “Political problems of industrial civilization” (1947) marked that labor got dehumanized and stopped bringing happiness to people. Mayo paid great attention to rise in labor productivity. His experiments in Hotorn (near Chicago) at “Western Electric” company between 1927 and 1939 brought him later the widest acclaim both in the USA and abroad. This research became the foundation for the doctrine of human relationships and opened new vistas in management. The research program of Mayo included the study of a wide range of problems: analysis of a group influencing behavior, motivation and values of an individual, means of communication and ways of transferring information to employees in the process of

labor activity, specifics of their speech. The results of experimental research enabled Mayo to come to the following conclusions:

1. Humans are social creatures, they have to work in a team. The behavior of employees and managers of lower and higher ranks can be understood and predicted on the grounds of analysis of their group relationships. A group exists if people communicate with each other in the process of achieving some goal. A group does not exist without a common goal and common interest as the connecting element.

2. All group members in their behavior keep to group norms. Employees act or make decisions more often as group members than as individuals. Group norms are ideas formed in the minds of group members. They determine what exactly employees should do and what is expected of them under certain circumstances. Ideas are norms if they are sustained by group sanctions. Norms are very steadfast, subordination to them is demanded for the sake of the group (e.g. “don’t let the chaps down”).

3. A worker’s output is determined by rather group norms than his/her physical abilities. Authority of group norms is sustained by means of moral influence. For example, those who worked too assiduously were nicknamed “Speed Miracle” or “King of Dexterity”. The one whose output was lower than the group standard was called a dawdler, or a slacker. So, the group had certain means of influencing a person.

4. Production managers should be centered rather on people than on production. Strict hierarchy and bureaucratic organization are incompatible with human nature which strives for freedom. An employee’s social and psychological status at an enterprise has quite the same importance as work, industrial process itself.

Such are the general trends in management development in the first half of the XXth century. During the following decades in some countries there developed principal differences in this process. The most distinctly (in the sense of comparison), especially in the practice of management they were displayed in the USA and Japan.

Japan

Human psychology is closely connected with people’s culture. The system of Japanese management is based on social values and cultural traditions customary in this country. Japanese managers take into consideration traditional values and national customs. It was harmonious combination of modern methods, technologies, constant introduction of innovations on the one

hand, and traditional values the culture of relations on the other hand, that helped Japanese to achieve social-and-economic prosperity.

Japanese managers have created their own model of production and social management by borrowing the most valuable experience from the world theory and practice, from the American ones first of all. But the specifics of the Japanese management differ in essence from that of America and is characterized by predominant orientation on human factor. Nowadays, Japanese managers are the best specialists in the world in human relations. They take into account and actively use the Japanese people's mentality that has formed historically, such national traits as exceptional diligence, discipline, practicality, and cooperativeness. In the Japanese national character there brightly manifest neatness, frugality, politeness, commitment to traditions, devotion to authority, disposition to experience adoption, self-possession, desire to group cooperation, desire for learning, strongly developed aesthetic feeling. To the most important values of the Japanese society one can relate: duty (debt), cooperation, and collectivism. In every Japanese consciousness there is a deeply rooted realizing his/her debt to the whole nation in general. Both managers and workers consider economic development of their country as their duty. The Japanese culture is based on the primacy of group interests, while personal interests are second-ordered, so people have to act together, cooperating with each other for social prosperity. The Japanese collectivism is shown in the way that they limit their personal needs for the sake of concordance and harmony of their relations with colleagues at work. In the Japanese language there is a notion not having an English equivalent and meaning the importance and value of a personality being recognized by others. The word "eme" means psychological dependence on a group a person belongs to. Every Japanese wants to be recognized, esteemed, and even loved by the others. A Japanese needs being protected and treated kindly by the others. The need in eme is connected with the sense of duty – the one who is loved, cared for must in due turn to respond to others with warmth. The need in eme may take extreme forms. Unnatural manifestation of eme may display itself in total dependency on others, lack of initiative, shyness, self-doubt. Nevertheless, eme connects the Japanese closer than people of other nationalities.

An American scientist I. Alstall, on having analyzed the activities of many Japanese companies, formulates the five principles of Japanese management.

First Principle: a worker is wise enough to be able to increase the output and labor quality on his/her own. In other words, this principle emphasizes that a worker is not silly. Japanese managers believe that workers are people endowed with capabilities who can put

forward proposals as to improvement of output and labor quality. Managers think that workers have certain professional training not only for performing specific job, but also for improvement of separate operations. At a Japanese factory, any innovation starts with collecting workers' opinions on technological and organizational innovations. Japanese suppose that any, even the most experienced engineer knows less about a technological process than the worker who does it on the shop-floor. That is why Japanese managers don't feel ashamed to ask their subordinates for advice.

Japanese scientists have developed three administrative methods helping to bring this principle into life:

1. Quality circles where workers put forward their innovative propositions. These circles consist of eight people and one elder and gather once a month in order to develop a program on working efficiency improvement. The circle members are taught theory and practice of management, solving of problematic situations which lead to lower working efficiency.
2. The practice of stimulating every worker to improve their professional skills and abilities. Most of young workers study at specialized evening courses, and also adopt their older colleagues' experience. Work skills are also passed by means of observation and copying.
3. The practice of **transferring workers** from one working place to another. Not a single company employee remains at the same place of work till retirement. (S)he improves qualifications, changes specialization, moves up the service stairs, and gets a bigger salary accordingly because (s)he gets more experience, improves his/her abilities, and brings more benefit to the company.

The second principle: a worker tries to do his/her work better. Any worker who has proved that (s)he can do more and of better quality gets independence in work, a bonus, and a pay-rise. In this manner Japanese managers stimulate constant qualification improvement of their labor force. If a worker masters a few technical specialties, (s)he can work in other brigades and substitute his/her mates. For the second principle's realization Japanese managers have developed **the two administrative methods**:

1. **Life-employment** of the staff. Getting employment for life employees need not worry of unemployment and they can learn much of what will enhance their company's profit-making. Japanese workers welcome changes in technology and are not afraid of unemployment. They are not afraid of being changed by a machine because they know that they will be re-taught for another job.

2. **Bonus-system** and financial incentives for workers if the company's profits rise. During the recession periods all the employees get less. But in an unfavorable situation all executives get an even smaller percentage payment than workers. It is believed that workers on their part always do their best and they shouldn't be punished if profits decrease. Responsible for this should be their immediate managers and the administration in general. It is they on whom all the blame should be put for miscalculations and mistakes in economic policies.

The third principle: Workers make up a "family". Japanese keep to the idea of employers and employees comprising a wholesome social unit. All the company members have mutual obligation and fulfil their general duty to the society. Salary is just one kind of remuneration. The other kind is the satisfying the need in "eme", i.e. the need in support and belonging to a group. The Japanese have developed three administrative methods for realizing this principle:

1. Company employees render support, sympathy, help to a newcomer, expecting from him the same behavior concerning them in future. Being a part of a corporate family means a belief that the family takes the responsibility for well-being of each member. An employee offers a company loyalty similar to that in a family. The system of relations "a person – corporation" is valued higher than just a financial treaty. In the Japanese language there is the word "**uchi**" which comprises the meanings of "family" and "company". Japanese use the same word to denote a family and a company. They believe that relatives and friends should be partners in business.

2. Their free time employees spend **together**. In Japan the world of men is sharply separated from that of women, and time spent on informal communication between representatives of different sexes is limited. Spouses, for example, spend very little time together, each of them rests mostly separately. An "ideal" Japanese comes home by midnight by reason of official duties. Company employees often have their supper not at home, but at a café or at a restaurant with colleagues and continue discussing their work affairs. Very often this is just the time when the most important problems are solved and important agreements are reached.

3. **Mutual commitment** between a company and its employees. Workers pay the company with their loyalty, and top management must take care of workers, their well-being, and satisfaction of their personal needs. If a company manager marries he gets a pay rise because his financial expenses as of a married man got larger. He will also get pay rise after each baby's birth, though his output does not change.

Japanese believe that relations at work should be warmed with emotional warmth, all the members of the labor family should feel common unity and love. Top executives before giving an order try to obtain consent of all company members. Workers have the right to executives their mistake in a very polite way. All the members of a large family try to take care of each other, show emotional support, and provide financial assistance.

The fourth principle: The group is more important than an individual person. This principle is based on traditional Japanese value: nobody must be egoistic and think only of oneself. This principle was formed under the influence of the idea by Chinese philosopher Confucius that a person is always in his/her elders' debt and must be grateful to them; this debt can never be completely repaid. On the company's expense a person mastered a valuable specialty, the company gave a job, showed respect, and provided means for sustenance. To go to another company offering a higher salary is a sign of ungratefulness. The Japanese have developed two administrative methods for realizing of this principle:

1. Promotion and pay-rise depend on an employee's continuous service, and not on his/her abilities, success, or individual output. Each Japanese knows for certain that with passing years his/her salary will increase. These practices decrease a possibility of personal envy and competitiveness.

2. Company's success is viewed as a result of team effort, and not that of an individual person. By Japanese standards every person wins when trying to do his/her group more successful and productive. For this (s)he must work for the good of the whole group. As the Japanese understand it, a group does not suppress an individual personality. An opposite postulate is true: a group helps to and supports a personality.

The fifth principle: Partnership and cooperation in production relations. Japanese managers consider workers their active partners in striving for economic success, high quality achievement and productivity increase. They are sure that everyone is loyal to the company and its goals. The necessity of partnership between workers and management is explained by the fact that production, especially directed at export, brings success not only for a company, but also for the nation in general. Americans call the partnership relations in the Japanese society economic nationalism. Economic success is viewed by Japanese as the only chance of its society and culture in modern world.

Directedness at cooperation is denoted by Japanese with the term of "uchiva". This term supposes that people strive for cooperative actions and group success to a greater extent than for

individual actions and personal success. As Japanese think, first of all it is the nation that must prosper, only then can individual people become prosperous. Cooperation is viewed as a traditional value of Japanese people and a necessary precondition for the nation's prosperity. The Japanese culture having formed under the impact of Buddhism and Confucianism gives priority to cooperation over competitiveness. People must unite in groups and cooperate with each other. Groups, in their turn, also must unite. In the Japanese language there is no word corresponding to the western term "competitiveness" or 'emulation'. For the Japanese it is more natural to compromise, to cooperate rather than to compete with each other.

Topic 4. Leadership

1. The notion of leadership
2. Leadership theories
3. Effective leadership skills
4. The role of leader in managerial activity

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1. The notion of leadership

A **leader** (from English leader – the one who guides, who goes forward) is a person in any group who enjoys a great recognized prestige and influence which manifests as managerial actions. The group leader, whose right to take responsible decisions is significant for the group situations is recognized by the group, is the most competent personality who really plays the central role in organizing common activity and in regulating relationships within the group.

But this is a dry definition, and WHO IS A LEADER indeed?

Today the word “leader” has got several interpretations: 1. the one who dashed forward at competitions; 2. the one who is trusted by most people; 3. the one who is successful in life; 4. the one who can organize people; 5. the one who enjoys popularity in some group; 6. the state leader, etc.

But first of all, a LEADER is a person who has learnt to control, motivate, and direct oneself for gaining one’s goals and performing one’s tasks.

The notions of Leader and Success have become synonymous nowadays.

Any person having decided to start his/her road to success is just obliged to turn into a leader for him/herself in the beginning of this road.

Without this, any of his/her undertakings will fail.

If a person is unable of motivating oneself, cannot set tasks for oneself and start undertaking some actions to fulfill them, how will this person demand it from other people?

YOU CANNOT GIVE WHAT YOU HAVE NOT.

BUT YOU CAN DEVELOP IN YOU ANY QUALITY IF YOU REALLY WANT IT.

ONE IS NOT BORN A LEADER, ONE BECOMES IT!

Take any successful person of modern time and analyze WHAT A LEADER IS. And you will see three regularities.

Firstly, any leader started small, in a small way.

Secondly, having learnt to be a leader for oneself, the person got an opportunity to become a leader for other people.

Thirdly, the road of any leader was a gradual one – step by step, inch by inch. Leadership is not a subject that can be learnt by reading a book or by having attended a training course. Even if you know all about leadership, the qualities inherent to it, you will only make the first step.

The only way of turning a person into a leader is not in absorbing books on this topic, but in learning to be oneself, in starting acting by using all one's skills, proficiencies, abilities, energy given to you by nature and those that you've yourself managed to develop.

One point which was established by psychologists after long research showed that any group of people thrown to uninhabited island, or to fight wild animals, or simply for a game pitch finds and chooses itself a leader whom each group-member will obey, esteem, support, and do the tasks set by him/her. And the choice of leader does not depend on intelligence level or age of the team participants.

For being a leader it is not enough just having a wish: a person displaying such a desire must also have a few more characteristic traits which only a real leader can possess. Otherwise such a person will fail, for it difficult to be a leader. In business practices after all this time, the research and history has shown that any person may become a leader. But even here simply having a desire was not enough, for there was also needed the desire to learn and develop within oneself the abilities assisting in leadership. This desire should be rounded on a strong wish and hunger for success.

The qualities of a leader:

- Enthusiasm

You should agree that even with simple enthusiasm alone a person can reach unheard of heights. This is the very first reason necessary for the development of a person's leader qualities.

In order to give rise to enthusiasm within oneself it is necessary to find an object or an area which causes excitement, in which a person would like to achieve a tremendous success. Often one needs persistence in practicing enthusiasm's development. There are very many examples when a person sets to a matter with fire in his eyes and soul, and with great hopes, but at first unsuccessful experience (s)he resigns quickly and without hesitation. Such a person cannot be a leader because his/her enthusiasm is faked, and not sincere. The real enthusiasm which is typical of a real leader is quiet and inconspicuous.

- Courage and bravery

Any person who tries to become a leader must be brave in soul and body. It is only then when (s)he will be able to overcome the obstacles on his/her way. Courage and bravery are necessary in situations when a person needs "to take", i.e. to seize what (s)he is striving for. Each problem occurring on the way to success and well-being should be overcome by a real leader with courage imminent only to a really ambitious person. A real leader treats every problem as another trial through which (s)he can score more winning points. And (s)he comes to solving it like to a new battle which (s)he will certainly win.

- Belief

An important demand for a leader in any epoch and sphere has been belief. For if the leader him/herself doesn't believe in his/her cause, how can (s)he demand it from others? In modern world it is impossible to be 100% sure in what you're doing, or that the person you're talking to will not let you down with a silly, short-sighted decision or actions. The best option in such a situation is the test on belief. If your interlocutor is sure of his/her words, and can bear responsibility for his/her words and actions you can fruitfully work with him/her.

A leader never speaks of transcendental plans which (s)he will never be able to achieve because this is a matter of time and these goals are stored on a shelf. (S)he never does what (s)he is not absolutely certain of. (S)he always looks at things in real light, sees them soberly.

- Integrity

A leader is a man of his word. (S)he always keeps the given promises, never lets people down, and is always punctual. (S)he is always delicate and precise in all his/her utterances regardless who (s)he is speaking to: subordinates, or partners, or relatives. The reason of leaders' always keeping their promises is good functioning of their minds because they never take their decisions and never promise recklessly, they always think over and weigh all the 'pros' and 'contras' before speaking. They always take their decisions on the basis of their abilities.

- Loyalty

It is always important in the intercourse with partners for it is impossible to gain positive results without it.

Loyalty is also important in interaction with other people from your circle. For there is no way for a leader to make fun of somebody, to criticize their shortcomings openly, in front of the

others. Because, in this case, the ridiculed person's reputation will be shaken in the eyes of his/her colleagues. But at the same time, loyalty doesn't mean spinelessness; a leader never forgives mistakes, (s)he can make a reprimand in private, *tete-a-tete*, but this reprimand will cost dear to the culprit. A real leader never hankers after his competitors' success, because this is envy, and envy, as it is known, is inherent only to weak-willed people. Another feature of loyalty is the feeling of responsibility for one's employees' well-being. A leader will never leave an employee in trouble, because (s)he values a specialist. And (s) does it not out of self-interest, but simply out of intrinsic human values.

- Interests

It is difficult to describe the meaning of the term "friendliness" in a few words. Even big glossaries cannot do so. But despite all the difficulties, this feeling is intrinsic to a leader. It is so, because this is a confident person who is not afraid of anyone, that is why (s)he is friendly to everyone, even to his/her numerous competitors.

A leader is characterized by inherent mutual respect of all the people, regardless their religion, race, or age. Though in relation to this situation the word "friendliness" is not quite applicable in its full meaning, it supposes respect and understanding.

- Humor inherent to a leader

A leader needn't be the soul of a company, but his/her present is always tangible, be it a corporate party or just a pastime with friends. (S)he always speaks to the point, and never speaks too much or not to the point even having drunk a little alcohol. A leader's jokes and remarks are always witty and in many cases they motivate other people.

Functions of leader arise from the two contradictory sides of group's life.

In relation to the outer aim, to the business sphere of group's life, one can distinguish such leader's functions as:

- Realizing the group's aim;
- Analysis and control of the environment;
- Development of a plan to achieve the aim;
- Control of the approaching the aim and correction of group's activity.

In relation to the inner life of a group the leader has the following functions:

- providing outer security of the group, maintaining contacts and interaction with other groups;
- providing involvement of group-members in group activity;
- maintaining independence of group members for them not to lose their individuality, because the threat of such a loss causes them to act destructively;
- providing workability of group structure, control and influence of one group members on others needed for achieving the aim of the group, for fulfilling the developed plan;
- control limiting, optimal distribution of responsibility and power in the group;

- ensuring sufficient psychological proximity and compatibility of group members, preventing squabbles;
- prevention of redundant personal sympathies because this threatens prevailing of personal relationships over the movement to the goal, that is, the same squabbles;
- coordination of individual approaches to problem-solving so that they did not contradict, but supplemented one another;
- maximizing the involvement of abilities and aptitudes of group members for achieving the aim.

Some of these functions seem to nearly contradict the others. It is necessary both to ensure involvement and to limit it, to organize control, and to limit it at the same time, to strive for psychological proximity, and make sure that there isn't too much of it...

All these contradictions are stipulated by the very nature of a group. For a group is a process, a system in the process, and like any other system it evolves in the unity of opposites, and conflict-solving between them is the very source of movement. In these conditions the function of a leader is to stabilize this movement, to keep it within the limits. That is why the leader has to compensate in life of the group what it lacks at the moment. If there's not enough proximity, it should be established. If there's an excess of it, it should be destroyed.

In this is manifested the compensatory, or using Shutz's word, the complementary function of a leader. A leader is a stabilizer of group interaction.

But a leader is also a destroyer of stability. (S)he has to do it directing the group towards the outer goal attainment. So, the leader's function is of dual nature, and he himself is a personified contradiction. And only by combining these contradictions can (s)he establish themselves as a leader.

2. Leadership theories

2.1 Traits theory

Traits theory or theory of leader's qualities is the earliest approach to the study and explanation of leadership. The early researchers tried to reveal the qualities that distinguish "great people" from masses.

The researchers believed that leaders had a certain unique set of quite stable and unchanging with time qualities distinguishing them from non-leaders. Proceeding from this approach, scientists were trying to determine leader's qualities, to learn measuring them and use to detect potential leaders. This approach was based on the belief that one was born a leader, not became it.

In this direction they conducted hundreds of experiments generating an extremely long list of traits of the determined leader's qualities. R. Stogdill in 1948 and R. Mann in 1959 tried to

summarize and group all the qualities found earlier. Thus, Stogdill came to the conclusion that a leader is characterized by mainly five qualities:

- mind or intellectual abilities;
- dominance or prevailing over others;
- self-confidence;
- activeness and vitality;
- competence.

Nevertheless, these five qualities did not explain the arising of a leader. Many people with these traits remained followers. Mann faced a similar disappointment. Among the seven traits discovered by him, intellect was the best predictor of its owner's being a leader. But the practice did not confirm it. Despite of this, the study of leader's qualities went on up to the middle of 80-ies. The most interesting result was obtained by a well-known American consultant W. Bennis who studied 90 successful leaders and determined the following groups of leader's qualities:

- control of attention, or the ability to present the essence of a result, aim, or actions in such a way that it was attractive to the followers;
- control of trust or the ability of building one's activity with such persistence and consistency that would make it possible to obtain the complete trust of employees;
- self-control or ability to know and recognize one's strong and weak sides so well that for strengthening of weak sides to be able to skillfully draw other resources including those of other people.

The study that followed has led to distinguishing four groups of leader's traits: physiological, psychological or emotional, mental or intellectual, and personal business skills.

To physiological are also related such traits as height, weight, complexion or figure, appearance or presentability, vigor, and general state of health. Of course, there may exist the connection between the presence of these qualities and leadership, but to be physically taller and bigger than an average person in a group yet doesn't give any right of being its leader. The example of many people confirms the fact that individuals with deviation to a lesser side can grow to the size of very influential figures.

Psychological qualities, such as bravery, independence, imitateness, honesty, workability, and so on are manifested in practice mainly through a person's character. The study of their relation to leadership has brought to compilation of a very long list of these traits. Most of them still haven't got confirmation of their relation to leadership.

The study of mental qualities and their connection with leadership was undertaken by many scientists and their results coincide in general with the fact that the level of these traits in leaders is higher than in non-leaders. This is probably the result of the fact that a leader's success depend for a larger part on his/her abilities and the skill of problem-solving and taking correct decisions. Nevertheless, subsequent researches showed that the correlation between these traits and leadership is considerably small. Thus, if the mean intellectual level of the followers is not high enough, being too clever means for a leader to come across many problems.

Personal business qualities have mostly the character of acquired and developed by a leader skills in performing his/her functions.

Their importance for success increase with the level of organizational hierarchy. But an exact measuring them is complicated. It still hasn't been proved that these qualities are crucial for effective leadership. Thus, business qualities making someone a leader in a commercial bank are unlikely to be of any use for leadership in a research laboratory or in theatre.

2.2 Concepts of charismatic leadership

A special and quite modern group of leadership concepts adjoining the theory of traits are the concepts of charismatic leadership. They stem to the works by M. Weber and are represented, in particular, by such modern authors as V.M. Bass, B. Shamir, R.J. Hose, M. Arthur, et al.

The charismatic leadership concepts proceed from the fact that an ideal employee corresponds to the personality of the leader, serves as the leader's reflection capable of influencing his/her values transformation. As the manifestation of such an ideal employee act the belief in the leader, reverence for the leading personality, as well as enticement to action and inspiration experiences from its influence. The executive's motivating influence is accomplished through the mechanisms of imitation, accepting his/her values and behavior by group members as an example, ascribing charisma to him/her. Only the select few possess the capability of influencing and changing other people's values.

Some authors of charismatic leadership concepts (B. Shamir, R.J. Hose, M.B. Arthur) consider leadership not so much as dualistic i.e. as one person's influencing another, as a collective process. In its base lays the employees' disposition to identify themselves with the group and highly appreciate their belonging to it. A charismatic leader increases such social identification by uniting corresponding ideas and values of every follower with group values and collective identity. The clearly expressed group identification means that a group member places group needs higher than individual interests and is even ready to sacrifice the latter if necessary. This, in its turn, strengthens collective values and norms of behavior.

The decisive in leader's character is the ability to influence the followers' seeing, perception of reality, and their values. Such leaders can even instill in group members new values; but nevertheless they usually emphasize special significance of each employee's individual values and try to link them with group tasks. For effective influencing leaders must know well and respect the needs, values, and identities of the followers. Only in this case can they count on group members' trust, charisma shaping, and a high group identification. A leader's charisma is strengthened by personal keenness on collective's aims, readiness to risk for the sake of achieving them, self-identification with them and the group.

Charismatic leaders emphasize in every possible way the symbolic character of labor activity, its moral aspects. Thanks to this, the employees' input in realizing organizational aims

gets inner moral motivation: the followers link their work and role in the group with self-esteem and personal dignity.

2.3. Factor-and-analytical theories of leadership

A great step forward on the way of considering the relativity of leader's traits and adaptation of traits theory to real conditions is the factor-and-analytical leadership concept which is often called the second wave in traits theory development. It distinguishes purely individual qualities of a leader and typical traits in behavior linked with achievement of certain goals. Between these two groups of traits there can be considerable differences. For instance, a person possessing such qualities as kindness, respect for others, inclination for reflection, flexibility, and so on, occupying an executive position for a long time in the army or similar authoritative structures usually loses some of his/her former traits bit by bit and forms another group of traits connected with the performed tasks – decisiveness, assertiveness, strictness (and sometimes cruelty) in relations with subordinates, absolute obeying chiefs' orders, etc.

The factor-and-analytical concept introduces into the leadership theory the notions of aims and tasks connected with a specific situation. As a result of interaction between leader's individual traits and the tasks facing him/her, there shapes a style of behavior comprising his/her "second nature". A leader's style and orientation bear on themselves the imprint of certain social conditions. The idea of leadership's dependence on social conditions is substantiated and developed by situation concept (R. Stogdill, T. Hilton, A. Goldier, et al.). This concept proceeds from leadership's relativity and multiplicity. A leader is a function of a certain situation. As R. Stogdill wrote, "leadership is the link which exists between people in certain social situation, and people who are leaders in one situation will not necessarily be ones in other situations".

It is the formed particular circumstances that determine the leader selection and his/her behavior. Thus, for instance, to become a leader in a criminal organization can cunning, pert, immoral personalities capable of breaking the law and social norms at any moment. It is obvious that in another situation, for example among workers of a religious organization engaged in charities, personalities of this kind wouldn't have any chances of leadership.

3. The skills of effective leadership.

1. Leaders convictions and values.

Convictions and values appear to be one of the most important leadership factors. These are the frames within which all our interactions take place. They determine how we will interpret events and what sense we will impart to them. General convictions and values lay in the base of motivation and determine which action strategies will be approved, and which will be rejected.

They determine the mental programs a person will choose considering a particular situation, and, in the long run, what actions (s)he will make in this situation.

Convictions and values themselves are determined by deep-rooted processes: unconscious assumptions on identification, norms and culture, and basic axioms on human nature and world arrangement. These axioms are not subject to objective verification, they rather relate to the matters of belief and are accepted without questioning. Thus, certain convictions and values often grow out of deeper assumptions of the role, norms, etc. which, as a rule, are not even formulated and which a person does not realize.

2. Skills in communication and relationships with people

Effective macro-leadership supposes using communication skills and those in relationships that are important for self-expression and goal attainment when co-working with other people. These skills make it possible for a leader to create a situation where people can feel themselves comfortably and work effectively. They include:

- understanding people's subjective experience;
- presence of criteria enabling recognition of people's behavioral patterns and styles of thinking;
- presence of operational skills and techniques enabling influencing people's people's behavioral patterns and styles of thinking.

Communication and relationship skills enhance a leader's effective operation enabling him/her to establish mutual understanding between people to help them solve their tasks more effectively. These skills depend on leader's using verbal (oral and written) and non-verbal communication (starting with visual means and on to voice tone tint and posture) to facilitate understanding, address to various styles of thinking and to encourage participation and effective work.

The "human" aspect of communication is influenced by three parameters – physical, inner, and that linked with relations. At physical level, communication may be accomplished by patterns of "one to one", "one to a few", or "one to many". Other communication variants are possible. In every case, such physical parameter as the number of communicating people will influence the type of message, and the means by which it is transmitted. A leader should bear in mind the physical communication parameters and use various types of message and means of transmission depending on situation.

The inner parameter which influences communication process the most is a person's state (both the sender and the addressee). It is at the same time a filter and an obstacle in the course of messages receiving and interpreting. The inner state of a person is usually a function of his/her attitude and style of thinking. And in this case attitude is a less permanent quantity and can change in the course of interaction. Often, the aim of communication is the very changing of

another person's attitude. It is influenced by both mental and physical processes, and they are often reflected by physical indicators such as posture, gestures, or head inclination.

Attitude and style of thinking determine the "chemistry" of interaction, namely what it will be like: changeable, stable, sluggish and so on. Apart from ability of understanding his/her inner state and governing it, for a leader it is important to take into account other people's state. The parameter of the attitude of people involved in communication is connected with their roles or status of one concerning another, and which are determined by organizational or social hierarchy. The questions of status are usually of great importance, it is sometimes quite difficult to estimate.

3. Co-operation between a leader and personnel.

For achieving a common goal the microclimate in a particular collective is important. Inner conflict decreases work productivity. That is why employees should act as partners, team-mates, or even as co-founders. Of course the principles of hierarchy and systemacy should remain unshakable because they are the universal principles of management. At present they speak ever more often of solidary style of management which rests on co-operation through understanding of other people and their significance, especially when taking and realizing risky managerial decisions.

4. Development and rational use of goals achievement methods.

A successful leadership model by all means includes technology of managerial decisions. This emphasizes the increasing role of a manager's "technical proficiency" which (s)he needs as early as the stage of defining specific aims and general overview of a problem. Making an organization mission clear by specifying its strategic aims will distinguish an engineer of the future who is striving to increase company's chances for success.

5. Readiness for risks when taking non-traditional decisions

Uncommon situations demand taking uncommon decisions, and, consequently, bravery, decisiveness, possessing instruments of profitable application of one's mind, and realizing the necessity of adjustment to changes which constantly challenge a manager. An executive has to take such decisions so that not to lose his/her place in business. Very often such decisions are risky as well.

This is such a change of an alternative when traditions, settled opinions, and even experience give way to technology in the basis of which lays the manager's intuition, the art of management, personal conviction, and self- certainty. Risk in this case is compensated by skill readiness to adapt to changes and is grounded on being certain of one's actions.

6. Preparedness to accept failure and considering adverse factors

Activity of any enterprise marching in step with progress is strewn with roses, but with very sharp thorns. That is why alongside with clear goals and decisive actions on their achievement a manager should be prepared for misfortunes and failures. By such mistakes (s)he learns not to subject him/herself to trials by stresses.

7. Transformation of plenaries power into authority power

In the base of this transformation and one's own authority shaping are always the processes of relationships and communications. As the barriers may pose the actions of manager him/herself which can destroy authority: purposeful lies, unethical behavior, treats, or unjustified compulsion. Not infrequently one day of such actions may destroy the power of authority that had been forming for many years. Without this power one has to solve tasks relying only on force and plenaries. But formal leadership methods do not promote authority.

8. Mastering knowledge

The concept of intellectual organization is based on organizational knowledge on which rest its abilities to change in order to survive. Organizational knowledge is multiplied and developed by means of each employee's knowledge, including the spectrum of principles, factors, skills, methods, and rules which ensure organization's business activity and its personnel potential. The structure of organizational knowledge contains practical, theoretical, strategic, commercial, and production knowledge. It comprises the organization's intellect founded on the information technologies, decision technologies, and the speed of innovations perception.

9. Self-education and education of managerial personnel.

It is impossible to increase a manager's business activity without increase of professional knowledge. Besides, special knowledge gets morally outdated. Scientific and technological progress becomes systematic in character and changes in one area of knowledge cause considerable corrections in another one. While estimating the current state of education one can see that it needs deep and wide renovating.

A great role in increasing business activity is played by self-education, self-development, and self-improvement. Self-sufficiency and responsibility transform from conditions of personality's development into criteria of not only self-administration, but also into those of personnel management. Thus, speaking of American management of 1990ies, there was a fashionable concept of continuous self-education and self-development.

Experts also distinguish the following categories:

- Ability to see the final goal

- Ability to arrange priorities and to concentrate
- Flexibility
- Active consciousness
- Realistic optimism
- Thinking by the principle “I won – you won”
- Mastering oratorical skill
- Project management
- Problem solving and making complex decisions
- Client-orientation
- Business experience
- Technical expert
- High moral quality

Topic 5. Management

1. The differences between management and leadership.
2. Styles of management.
3. Delegating authority
4. Criteria of management efficiency evaluation.

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1. The difference between management and leadership

At present, the problems of individual style of management, development of managerial decision remain quite actual. The forms, methods, principles of solving these problems are notable of considerable variety: they comprise both bare administrating, and attempts of posing as some kind of supplicant, and the desire to conceal one's inaptitude in people managing behind affected rudeness.

Experience shows that low managerial culture adversely affects the whole organization's functioning. One of important preconditions of successful fulfilment of tasks facing an organization is the possession by the executive of certain personal and business traits, as well as the choice of optimal management style.

As early as in the first works on psychology of management there was singled the manager's personality psychology as one of its essential directions. Empirical study of this problem began since 1920ies and is conducted at present quite intensely. The problem of leadership in management is one of cardinal questions in management psychology.

Initially, a leader was treated as the group member who moves forward as a result of interaction in the course of a certain task solving. In other words, a leader moves forward in a concrete situation, assuming certain functions.

Other group members accept the leadership, i.e. build up such relationships concerning the leader that suppose his/her guiding them, and their being the followers.

The leadership process can be quite contradictory: the measure of the leader's claims and the measure of other group members' readiness to accept his/her leading role may mismatch. To find out the real possibilities of a leader means also to find out how the leader is perceived by other group members. The extent of leader's influencing the group is also a variable quantity: in certain circumstances a leader's possibilities may increase, while in others, on the contrary, diminish.

It's important to note that concerning the leadership problem, the foreign psychology often equates the notions of "leader" and "executive" or "manager" using them as synonyms (though in German, unlike English, there are different words for these notions). For domestic researchers it is characteristic to distinguish the leadership and management as two separate phenomena inherent to organized entities.

A special consideration needs the problem of correlation between the two notions – "control" and "management". *Control* is a broader notion meaning *a directed influencing a system or separate processes happening to it in order to change its state or to impart new properties and qualities to it*. The notion of "control" relates both to technical ("machine – machine"), sociotechnical ("a human – a machine") and social ("a person – a person") systems, while **management** is a particular case of control. Its main distinction are those that management

- is limited by influencing people and their entities;
- supposes interaction between a manager and an employee;
- is intended to cause someone's activity in accordance with a manager's purposes.

The notions of "manager" and "leader" are not identical. The main quality of a leader is the clear vision of the aim which is seen by others in blurred shapes or isn't seen at all. And the main quality of an executive-manager is to realize the seen aim wit minimal losses.

The Harvard's Business School's point of view

*Therefore, **management** is a deliberate (purposeful) influencing subordinate people and their entities which causes their conscious and active behavior and activity in accordance with the executive's intention. That is why management can be called control, but not quite any control is management.*

The main distinctions between leadership and management stem to the following:

- *the content of notions*: management supposes organizing the activity of the whole group, while leadership characterizes psychological relationships which appear in a group along the chain of command, i.e. from the point of view of dominance and subordination;
- *appearing*: management is a regular and necessary attribute of the process of an official organization's appearance, while leadership appears spontaneously as a result of people's interaction; accordingly, an executive is usually either appointed or elected, while a leader moves forward spontaneously;

- *functioning*: management acts as a process of legal organization and control of an organization members' joint activity, while leadership is the process of inner social-and-psychological organization and control of communication and activity;
- *social role of a manager and a leader*: a manager is a mediator of social control and power, while leader is a subject of group norms and expectations which form spontaneously in interpersonal relations;
- *activity regulation*: a manager's activity is regulated by corresponding legal provisions, while leader's activity is ensured by moral-and-psychological norms of mutual activity;
- *external relations mode*: a manager represents a group in external organization and solves the questions connected with its outer official relations; a leader in his/her activities is limited by intragroup relations;
- management is *a more stable* phenomenon, to a lesser extent subject to swings in opinions and moods of organization members.

The afore-stated differences bring us to the following definitions of the notions "management" and "leadership". **Management** is a process of legal influence carried out by an executive on the basis of the power endowed to him/her by the state or a group (in those cases when an executive is elected).

Management is to a greater extent a social characteristic of relations within the group, first of all, from the point of view of roles distribution between control and subordination. Management is based on the principles of legal relations, social control, and application of disciplinary practice.

Leadership, in its turn, is the process of a person's psychological influencing others in their mutual activity; this process takes place on the basis of perception, imitation, suggestion, understanding each other. Leadership is a purely psychological characteristic of certain group members' behavior. Leadership is based on principles of free communication, mutual understanding, and voluntariness of subordination.

Thus, managerial activity in a broad sense can be executed by not only a manager, but by a leader as well. Socially acceptable and effective in modern conditions is personnel management carried out in the form of leadership. Ideally, these two roles are performed by the same person; but unfortunately, this is not always the case.

American management traditionally supposes that a leader and an executive is usually the same person. On appointment a person an executive at any level it is desirable that (s)he become a leader in a while (usually in a few months). If this doesn't happen, the unwritten rule is that the manager should free the position for a person who may become a leader.

The advantages of a leader are that the organization recognizes his/her moral right of taking decisions in important situations. This is the person who occupies the top of hierarchal ladder of status and prestige of organization members.

So, in what way is a **leader-manager** different from an administrator-manager? The most important is that a leader does not command, does not order, and does not “press” employees in order to achieve some goals which are sometimes far from their understanding, but leads people after him/herself for solving common problems of the collective.

A **leader-manager** is characterized by:

- the ability **to apprehend common needs and problems** of the governed collective and take upon him/herself the part of work to satisfy the needs and solve the problems which cannot be taken by other collective members;

- the ability of **being organizer of mutual activity**: (s)he formulates the task concerning most of the collective members, takes the responsibility for creating if not all, but necessarily main, significant conditions of solving this task; (s)he can plan mutual work taking into account everyone's interests and abilities; involves people in doing work necessary for the collective as a whole, but not quite profitable for its individual members; accepts opinions and proposals contrary of his/her own position for taking collective decisions; possesses skills and abilities of making things organized by him/her interesting and attractive to other people;

- **responsiveness and insight, trusting people**: (s)he finds time to hear people out and can listen; it is easy to talk with him/her on any intimate topic because (s)he can keep secrets; a leader knows where lay the interests of people (s)he works with, and is ready to defend them; is capable of understanding every separate person's difficulties (problems), is ready to stand for an employee if (s)he is treated unjustly; can understand what people prefer not to speak about; is capable of empathy;

- **representativeness**: (s)he is the spokesperson of collective members' common position; can detect and express collective members' common opinion on any significant question; raises the issue of collective's needs to the top management without waiting for orders from above; is capable of sacrificing his/her interests for those of collective; is the representative of the collective in relations with higher management;

- **emotional-and-psychological impact**: a leader can involve people in activity without giving direct instructions and orders; (s)he is generously endowed with team spirit; can persuade, is inclined to encouragement; possesses informal authority (people would submit to him/her, follow him/her even if (s)he hadn't any leading position);

- **optimism**: a leader is sure that most of the problems facing people can be solved; by their optimism they cause people's belief in their strengths.

How to achieve the combination of two roles in the same person? For many years psychologists and managers work on this problem. Much depends on actualization of certain functions in the activity of concrete manager.

2. Styles of management

One of the most studied questions in the sphere of management and leadership is the problem of management style. Under *the management style* is understood *a stable system of means, methods and forms of a manager's influence which created a peculiar handwriting of managerial behavior*. The interest in the problem of management style appeared considerably late – in the beginning of last century.

The turn of the XIX and XX centuries was marked by a rapid development of science. Close attention to managers of various levels in production sphere – to managers – is paid by not only production practitioners, but also representatives of different directions in the science of Human. A stimulating factor was the detecting of the following pattern: labor productivity is explained to a great extent by those specific forms and methods of management that are professed by different executives. All this made psychologists to have a closer look at the whole management system and at the place taken in it by managers of various levels.

The most fruitfully in this direction worked a well-known German psychologist K. Levin. The main efforts were directed by his school's psychologists at the research of social and psychological phenomena of group life. An important place in this research was taken by the problem of the role and significance of a manager in various group processes.

The object of study by Levin were groups of teenage children (11 – 12 year-old boys) who under the guidance of adults were making masks of papier-mâché. In accordance with the logic of the experiment, they were divided into three groups. Each group was headed by an adult who was demonstrating different styles of management named for simplicity as “authoritarian”, “democratic”, and “laissez faire” (the last one is sometimes translated as “anarchical” which is totally incorrect, though the “laissez faire” is also quite a free translation of the term offered by Levin).

The names of the three styles are connected with Levin's personal biography and position. The experiments were carried out after his emigrating from fascist Germany in the USA during the World War II. Demonstrating his antifascist position, Levin used the terms “authoritarian” and “democratic” as the ones having a certain political meaning. But these were a sort of metaphors, and it would be naïve to think that in purely psychological experiments could be seen the features of authoritarianism and democracy in their political meaning.

Basing on the conclusions and regularities discovered in the course of experiments, Levin characterized each of these classical styles of management: the authoritarian, the democratic, and the laissez-faire styles. In literature they are named differently: authoritative is called directive style, laissez-fair – anarchical, neutral, formal, permissive, liberal style. Disclosing the meaning of each of these styles we will use the following terms: “authoritative”, “democratic”, and “liberal”.

So what conclusions did K. Levin come to on the basis of these experiments? He and his co-workers determined that for that specific situation the most rational style was *democratic*. Firstly, this style creates a more favorable atmosphere, and enhances a more active group

members' involvement in mutual activity. Secondly, under this style of management a group is notable for the maximum satisfaction, a striving for growth. And thirdly, this style ensures the establishing the most favorable relations between the group and its members.

Under *authoritarian* style of management a group made more work than under democratic style, but it had lower motivation, originality of action, and friendliness. Such groups lacked group thinking, there was displayed more aggression which was directed at both the manager and other group members. There were observed signs of a greater despondency and anxiety, dependent and obedient behavior.

In comparison with democratic style of management, under *liberal* style the volume of work decreased, its quality was lower, there was more game, and in the polls there was fixed the preference of a democratic leader. On the basis of his research, K. Levin presented an approximate characteristic of each style and expedience of its application.

1. Authoritarian style. A decision is taken by an executive in person. (S)he acts peremptorily towards subordinates, sternly fixates the participants' roles, carries out detailed control, concentrates in his/her hands all the main functions of management.

This style is the most effective in well-ordered (structured) situations, when the employees' activity can be algorithmed (by a preset rules system). It is oriented at solving algorithmed tasks.

2. Democratic style. Decisions are taken by the manager together with the employees. Under such style the leader strives to manage the group together with the employees, providing freedom of choice to them, organizing discussion of his/her decisions, supporting initiative.

This style is effective in weakly structured situations and is oriented at interpersonal relations, solving creative tasks.

3. Liberal style. Decisions are imposed on the manager by the employees. (S)he is practically removed from active group management, behaves like a common participant, provides group members with total freedom. Group participants behave in accordance with their wishes, their activity is spontaneous in character. This style is the most effective in the situations of search for the most productive directions of group activity.

Later there were taken many attempts of providing psychological characteristic of the three styles of management. The main their result was clarification and concretization of at least two sides: the content of decisions taken by the leader, and of techniques (methods, means) of implementing these decisions.

Thus, a style of management *is a considerably stable system of means, methods, and forms of a manager's influencing employees in accordance with the aims of mutual activity*. This is a subjective-personal characteristic of activity of certain executive, a peculiar psychological handwriting of work with employees.

Every concrete manager cannot be characterized by only one, single style. Depending on the forming specific situation there is often observed a combination of various styles traits with prevailing of one of them. One of the three styles finds its real embodiment in one's individual

management style. Individual style is expressed in the manager's practical application of modern management principles, main points of management theories, use of management standards.

New tasks facing executives called for necessity of serious improvement of managerial style. Methods and forms used for development and realizing of taken decisions are noted for their great variety. Even within two quite identical organizations there can be quite often seen so dissimilar styles of management. For every executive has his/her notion of management, power, and style of work with employees.

The main parameters of the three style of management

Let us specify a number of important observations in this connection:

- the aforementioned styles of management in their pure form, per se, can be seen extremely seldom. As a rule, there is observed a combination of different styles, but nevertheless the traits of one of them prevail;
- among the described management styles there is no single, unique style useful for any life-situation, there are no good or bad styles. All of them have their advantages and cause related problems.
- management effectiveness depends primarily on flexibility in applying positive sides of this or that style and on the ability to neutralize its negative sides.

So, it is possible to speak only of a style adequate or inadequate to a concrete situation, specific conditions, specific needs in this or that management style. For instance, in extremal conditions authoritarian style is necessary. But in conditions of everyday activity when there is a friendly and well-trained collective, democratic management style is successful. The conditions of creative search dictate the expedience of using elements of liberal management style.

The choice by the manager of one or another management style is determined by a number of objective and subjective factors.

Objective factors:

- *organization's type* (production, supply and sales, scientific, etc.);
- *specifics of the main activity of the organization* (production, supply and sales, learning, scientific, etc.);
- *specifics of the tasks solved* (simple and complex, new and habitual, regular and urgent, standard and non-standard, current and sudden, etc.);
- *conditions of task-solving* (favorable, unfavorable, extreme, etc.);
- *methods and means of organization's activity* (individual, group, etc.);
- *development level of the organization*;
- *management style, forms and methods of the top executive's work*;
- *the step in managerial hierarchy taken by the manager*. Psychologists' research have shown that the higher this step the more the given executive is disposed to authoritarian actions, but this authoritarianism takes more complicated and subtle forms;

- *coincidence of an executive's management style with the expectations expressed by employees.* Psychologists have established that in groups with a high development and education level of their members there prevail expectations of democratic methods on the part of executive. And on the contrary, in groups with low development level of their members there prevail expectations of tougher and concrete actions of the executive. Expectation of authoritarian management occurs also in an extreme situation.

Subjective factors:

- *individual-and-psychic peculiarities of the manager's personality* (character, temperament, abilities, will traits, etc.);
- *possessing authority by the manager.* A reputable manager is usually more democratic, because authority is the power that influences employees besides direct managerial impact. And on the contrary, a manager tries to compensate authority absence by harsh, directive actions;
- *the level of general and managerial culture, of education* (in particular, knowledge of management theory basics);
- available general and managerial experience.

Thus, there are many factors influencing the choice of style of organization management, all of them are closely interconnected, supplement each other, and sometimes contradict one another. That is why there is no one single rule enabling an executive to determine how (s)he should behave in this or that situation. Everything depends on how professionally and psychologically an executive is educated. A high level of professional and psychological competency will help him/her to correctly assess when, where, and how to act.

3. Delegating authority.

An executive doesn't have an opportunity to deal in person with all the problems, which is why the ability of delegating authority or powers to a competent specialist is very important. By ***delegating*** in general sense *is understood a temporal transfer of a task or activity from an executive's sphere of responsibility to an employee.* The problem of delegating authority is urgent in modern conditions. According to specialist estimations, 40 – 60% of managers' and specialists' working time is spent on carrying out the functions that could be performed by specialists of lower qualification.

If delegating authority doesn't take place a manager simply lacks time to do everything qualitatively and timely. Lack of time, in its turn, determines his/her taking stereotyped or even wrong decisions. Incomplete delegating authority is also ineffective, when an employee is instructed to solve a problem, but has no rights or possibilities for solving it.

There is no doubt that not all tasks of managerial activity can be delegated to one's employees. In any case, the following tasks are delegated:

- routine, small work;
- specialized activity;
- particular questions;

- preparatory work (project, etc.)

Not to be delegated:

- the most important managerial functions (development of the ideas and policies of organization development, monitoring results, etc.);
- control of employees, and motivating them;
- tasks of high risk level and of utmost importance;
- uncommon, exclusive matters;
- urgent matters which leave no time for explanations and control;
- strictly confidential tasks.

Due to a number of reasons a subordinate may have a resistance to delegating (in particular due to lack of knowledge and experience, fear of criticism, fear of responsibility, fear of excessive demands, etc.). In this case it is necessary to talk to an employee openly, to try discovering reasons and come to mutual decisions using stimulation.

The *delegation process algorithm* is usually the following:

- to prepare an employee;
- to explain the task;
- to show how to solve it and what to do;
- to entrust its further solving under supervision, correcting the employee if needed;
- to pass the work to the employee altogether and further on maintain only the final check.

The practice of authority delegation, the experience of many executives developed a set of rules:

1. Delegate to the person who can and wants to carry out part of authorities (if (s)he doesn't want it make him/her want it).
2. Delegate not only duties, but also rights and privileges.
3. Don't interfere with the working process without serious reasons.
4. Demand from the employee intermediate reports on the task realization and control only the final results of the delegated task.
5. It is desirable to delegate the whole matter, and not partial, isolated tasks.

Thus, preparation and taking managerial decisions, as well as delegating authority comprise an important side of any executive's managerial activity. A manager's personality, his/her ability to solve arising problems are judged by the quality of practicing these functions.

4. Criteria of manager's activity effectiveness evaluation.

To judge how effective certain executive is, one needs some criteria enabling to perform such an evaluation. Their choice is far from being simple.

Indeed, what should be taken as a reference point: the activity of the concrete manager, work showings of the collective headed by him/her, peculiarities of employees, or something else? Of some executive they say, “(S)he is a good worker, but the collective is good for nothing.” Of another one they say, “(S)he is nothing much, but his/her collective is excellent, and on their account (s)he thrives.”

There are various points of view at the phenomenon of management effectiveness. The supporters of one of them put forward the following effectiveness criteria:

Psychological criteria

- satisfaction of collective members with various aspects of membership (relations with colleagues and managers, work conditions, salary, etc.);
- motivation of collective members (the issue is of their desire to work and maintain membership in this collective);
- executive's authority in the collective (formal, i.e. stipulated by the set of power privileges given to the executive by his/her post; moral, i.e. based on personality's world-viewing and moral qualities; functional, i.e. based on professional competence, various business qualities of the executive);
- collective's self-evaluation (concerns a number of its important characteristics and being some kind of generalized sum total of their functioning successfulness).

Non-psychological criteria (collective's effectiveness)

- profitability (totality of measures characterizing the connection between financial resources and the character of their usage);
- productivity;
- production or service quality;
- innovations (creative process of adjustment of product, process, structure, etc. to outer and inner demands, changes).

Thus, an executive is considered effective if the collective headed by him/her has high performance rate on the corresponding psychological and non-psychological criteria of group efficiency.

Topic 6. Practical theories of leadership

- 1.1. Idealistic strategy.
- 1.2. Teaching strategy.
- 1.3. Companionate strategy.
- 1.4. Democratic strategy.
- 1.5. Ambition strategy.
- 1.6. Authoritarian strategy.

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Practical strategies of leadership.

Great leaders inspire us. They invigorate us arousing our best feelings. When we try to explain why these people are so effective, we start speaking of strategy, far-sightedness, great ideas. But all this has in fact a far more ancient basis: genius management touches our emotions.

No matter what leaders are going to undertake – to develop a strategy, or mobilize a group for a labor feat – their success depends primarily on how they will do it. Even if everything is organized perfectly, but the leader does not fulfil his/her main task – directing people's emotion in the right channel – it will not take him/her far, the way (s)he wanted.

Throughout human history in the most diverse cultures that person became a leader to whom people turned to for support or explanations when facing threat or uncertainty, or if they had a serious work to do. Leader acts as an emotional curator of the collective.

Even in a modern organization this task – though not so obvious already – remains one of the most important tasks. The leader has to direct collective's emotions in the correct channel, create an atmosphere of friendliness and skillfully fight negative spirits. This task is equally important for leaders of any level – from the board of directors meeting hall to the shop-floor.

Simply speaking, the leader possesses the maximum possibility of influencing every collective member's emotions. If people are instilled with enthusiasm, work productivity may increase nearly instantly; and if people are irritated and offended on purpose to unsettle them, the matters might just come to a standstill. This regularity indicates another important aspect of emotional leadership: its influence is not limited by only the guarantee of good work performance. People are attracted to a leader, expect emotional support from him, look for his compassion. Anyway, leadership as such contains just this aspect.

No matter who the groups emotional leader is, (s)he in all probability possesses the capability of playing the role of limbic “gravity center” causing a considerable impact on emotional state of the people surrounding him/her. Watch, for instance, a gifted actor at work, and you will see how easily he draws the audience into his emotional orbit. Be it sorrows of treachery, or joy of a triumph that he communicates – the audience experiences the same feelings.

That is why the ease with which we adopt a leader's emotional state depends on how emotional their faces, voices, and gestures transmit their feelings. The better a leader masters the art of expressing his/her emotions, the better they will be the strength of their proliferation. The transmission of feeling does not, of course, depend on leader's stage skills. Because people listen to him/her attentively, even slight emotions expressions may cause tremendous impact. But even in these conditions, the more open leaders are – or, in other words, how openly they can express their enthusiasm, – the sooner these strong feelings overtake other people.

Leaders with such talent act like emotional magnets, and it is quite natural that people are attracted to them. Mind, with what kind of leaders people prefer working – they probably radiate optimism. It is mostly to this effect that leaders with high emotional intellect attract talented people – it is pleasant for gifted specialists to work in such environment. An on the contrary, leaders with a negative charge – irritable, petulant, despotic, and cold – repulse people. Nobody wants to work for a grumbler. It is confirmed by research that optimistic, captivating, leaders hold their employees easier than executives prone to bad moods.

A sincere emotional response doesn't appear in reply to manifestation of leaders' good mood or their ability to say good words – it appears thanks to the whole set of coordinated actions which are used by an executive. These actions form peculiar styles of leadership. As a rule, effective leaders use one or a few leadership styles and skillfully switch from one to another depending on situation.

Four of the six known styles of leadership – idealistic, teaching, companionate, and democratic – are able to inflame, inspire people which leads to productivity growth, while two others – ambitious, and authoritarian – though needed sometimes, should be turned to, as we shall show further on, with great care.

To understand how an organization's emotional climate is influenced by different styles of leadership, we used the global database on 3,871 executives. Specialists evaluated some key factors influencing the working environment.

The research showed how the working climate having been formed by different leadership styles affected a company's financial results – sales income, profit, effectiveness, and profitability. The conclusions suppose that at any other equal conditions, leaders who used the styles with positive emotional impact got higher financial results than those who didn't followed these styles. It is probable that in practice the leaders gaining the best results didn't limit themselves to only one specific leadership style. Most probably they used several styles depending on situation, combining them harmoniously in various proportions. Generally speaking, the totality of leadership styles can be imagined like a sports-bag wit a set of golf-clubs. In the course of the game the club fitting best for the necessary strike is selected and taken out from the bag. Sometimes a player has to thin his choice over, but usually (s)he acts automatically. A professional feels in advance what (s)he has to do, quickly picks the necessary toolout, and brings it into play. Wise leaders act in the very same way.

All these styles have been described more than once, though sometimes they were named differently, but the novelty of the model of leadership we offer is that that we show which basic skills in emotional intellect are necessary for each style. And the main thing, we have discovered the cause-and-effect relation between an executive's behavior and organization's work results. In other words, the research data enabled seeing the real impact of one or another style on the organization's climate and, consequently, on productivity. For executives who day after day struggle for improving financial results the information on this relation will be quite useful, for it adds a needed “dose” of science to the most important craft of leadership.

Let's view for a start the four styles of leadership which enhance emotional resonance, and then turn to describing the styles which, to the contrary, cause much too easily dissonance if applied untimely and inappropriately.

1.1 The idealistic strategy

HOW EMOTIONAL IMPACT IS BUILT UP: the leader inspires people depicting to them an attractive image of the future.

IMPACT ON ORGANIZATION'S CLIMATE: maximum positive.

APPROPRIATE FOR USING: when a change in situation demands creating a new image of the future or when it is necessary to determine the clear direction to move in.

THE SOURCES OF THE IDEALISTIC STYLE

Of all emotional intellect skills the fundamental one for the idealistic style is certainly inspiration. Combining inspiration with the triad of "self-certainty – self-consciousness – empathy" idealistic leaders clearly set the goal which seems authentic to them and correlate it with the values shared by their subordinates. And because leaders themselves believe steadfastly in their dream, they can lead firmly the people to their cherished aim. When the time comes to change the movement direction, their self-certainty and the ability to initiate changes ensure the smooth transition to the novelty.

Of great significance is another aspect of emotional intellect – the openness. To be trusted, leaders themselves have to believe in their dream. If the image depicted by a leader smacks of falsity, people will feel it. Besides, sincerity enables to destroy all inner barriers with which some company employees surround themselves. This is movement towards honesty, open circulation of information and knowledge, thanks to which employees at all control levels feel their being involved in the general process and can take necessary decisions. Sometimes managers have a false feeling that concealing information gives them additional power, but real leaders understand that proliferation of knowledge is the guarantee of success. That's why they openly share information with their employees.

And yet, of all the emotional intellect skills the utmost importance for an idealistic leader has empathy. The ability to share other people's feelings and understand their position means that the leader will be able to paint a really inspiring image of the future. And on the contrary, a leader who interprets people's feeling incorrectly is unlikely to be able to inspire them.

The idealistic style makes a positive impact on the organization's climate. It is especially effective to use this style when business is at the crossroads – for instance, in the reorganization period or when a company needs a new image of the future. No wonder that the idealistic style is in a natural way adopted by “reformist” leaders – the executives who strive for a radical reshaping of business.

Nevertheless, no matter how powerful the idealistic style might be, it isn't applicable in any situation. It shouldn't be used, for instance, in the case when a leader works with a team of experts or colleagues who are more experienced than the leader him/herself: in a colorful description of fantastic future they may see only empty verbosity or misunderstanding of the current situation. Such erroneous behavior breeds cynicism, which leads to decrease in productivity. There is another limitation: when a manager trying to use the idealistic style takes on dictatorial traits, this may undermine the spirit of equality inherent to command management.

If these exceptions are put aside, one can say that leaders are usually clever enough to use this idealistic “golf-club” more often than others. Perhaps this won't serve a guarantee of correct hitting a hole at first strike, but it will certainly come useful at a long distance.

1.2 Teaching strategy

HOW EMOTIONAL IMPACT IS BUILT UP: the leader links the people's wishes to the organization's aims.

IMPACT ON ORGANIZATION'S CLIMATE: quite positive.

APPROPRIATE FOR USING: to help an employee improve productivity on account of his/her perspective abilities development.

THE SOURCES OF THE TEACHING STYLE

Discipleship is an example of emotional intellect skill – the ability to develop other people's aptitudes. This ability enables a leader to act as an advisor who studies the employees' goals and values and assists to broaden the available range of abilities. It goes hand in hand with two other skills which, as research shows, is inherent to the best of such leaders – emotional self-consciousness and empathy.

Emotional self-consciousness endows a leader with the ability of giving an employee a sincere advice really corresponding his/her interests, and not the one that leaves a person with a

feeling that (s) is being manipulated or simply nagged at. In their own turn, leaders capable of empathy before responding employees' actions or commenting someone's work will listen attentively to other people's comments, thanks to which in an organization there forms the atmosphere of complete mutual understanding. In other words, good instructors often ask themselves, "whose problem (or goal) does it concern, mine or that of my employees?"

Instructing leader's positive emotional impact is a result of his/her responsiveness and the ability of establishing contact with employees. A good instructor always believes in human abilities and cherishes the hope that all the employees will be able to realize themselves 100%. With all his behavior (s)he as if says to them: "I believe in you, I invest means in your talent and count on exceptional efforts on your part." At such a treatment people really feel care on the part of company management; that is why they try to keep to high production standards and take responsibility for the quality of their work.

Sometimes the teaching style takes on the form of intensive education program. And in the companies built "for ever and ever" and prospering for decades, incessant improvement of leadership styles not only attests to the strength of the corporate culture, but is also the key to a lasting commercial success. During the period when more and more companies experience difficulties in trying to keep the most talented and promising employees, organizations which provide their employees with the environment favorable for self-perfection, manage to gain high loyalty on behalf of their personnel. Briefly speaking, despite the features of the teaching strategy don't seem to offer immediate influencing the profits, nevertheless in some incomprehensible, devious way its application leads to high financial results.

1. 3 Companionate strategy

HOW EMOTIONAL IMPACT IS BUILT UP: the leader creates harmony by bringing people closer to each other.

IMPACT ON ORGANIZATION'S CLIMATE: positive.

APPROPRIATE FOR USING: to "heal" a discord in the collective, to motivate employees at hard times or to strengthen interpersonal relations.

THE SOURCES OF COMPANIONATE STYLE

The companionate style is realized in practice aptitude for collective work. Such leaders care most of all for maintaining harmony and strengthening friendly relations with employees. Accordingly, leaders who keep to the companionate style value the breaks in production cycle when there comes an opportunity of “creating” emotional capital on which they can count later, in need.

Leaders who keep to the companionate approach pay more attention to employees' emotional needs than to business. Such an attentive treatment develops their empathy – the ability to understand other people's feelings, needs, and concepts which is one of the most important leader-skills. Empathy, concern for everyone, and not only of work-tasks fulfilment, responsiveness make the companionate approach a real catalyst of the collective's high moral spirit: such a leader can put people in a good mood even when doing a dull, monotonous work. Finally, the use of the companionate style supposes another emotional intellect skill – the ability to settle conflicts. This ability finds its application when there appears the task of uniting different or even antagonistic individuals into a single collective.

Despite of the advantages characteristic of the companionate style, it is sometimes impossible to stick to it only. Because such leader uses only praise for management, employees might decide that mediocre performing one's job in this organization is quite acceptable, and simply will not correct their mistakes. Besides, leaders of this type seldom give constructive advice, i.e. employees are left to their own and have to find out unassisted how to develop their abilities.

1.4 Democratic strategy

HOW EMOTIONAL IMPACT IS BUILT UP: the leader evaluates employees' input in work and gains loyalty by means of active involving them into the managerial process.

IMPACT ON ORGANIZATION'S CLIMATE: positive.

APPROPRIATE FOR USING: to achieve support, consensus, to get proposals from the employees on business development.

THE SOURCES OF DEMOCRATIC STYLE

The democratic style is based on three skills of emotional intellect: the ability to teamwork and cooperation, the ability to settle conflicts, and on being influential. Leaders who perfectly master the art of communication are excellent listeners – and the ability to listen is the

most important merit of a democratic leader – this creates the employees’ feeling that the executive sincerely wants to find out their thoughts and worries, and besides is always available for a talk. Moreover, these are real team-mates who behave like full-fledged team-members, and do not stand away from the collective sending down orders to their subordinates. And finally, they can resolve conflicts and create the atmosphere of harmony in the group.

In democratic leadership a significant role is played by another emotional intellect skill – the ability to empathy which is especially needed when a group is dissimilar. Without the ability of tuning in to psychological peculiarities of different people a leader will make mistakes more often.

As you can see, the four styles of leadership – idealistic, teaching, companionate, and democratic – are reliable resonance “builders”. Each of them makes a strong positive impact on emotional climate in an organization. The final two types – ambitious and authoritarian – also take their place among the leadership instruments, but each of them should be used carefully and skillfully, only then will it have a positive effect. When ambitious or authoritarian leaders go too far in resorting to these approaches too often or using them awkwardly they, as we will see further on, create not resonance, but dissonance.

1.5 Ambitious strategy

HOW EMOTIONAL IMPACT IS BUILT UP: the leader strives for reaching difficult goals and solving the most interesting tasks.

IMPACT ON ORGANIZATION’S CLIMATE: often utterly negative, especially when clumsily implemented.

APPROPRIATE FOR USING: when it is necessary to get excellent results from a team of qualified employees with high motivation.

THE SOURCES OF AMBITIOUS STYLE

So, what is necessary to become a successful ambitious leader? This style’s emotional and intellectual basis is persistent aspiration for high achievements, a search for new ways to increase productivity combined with a large part of initiative in using favorable opportunities. The will for victory inherent in them makes them look for new approaches which will increase the effect of their efforts as well as employees’ productivity. Besides, this supposes that for such

leader the motivation factor is not remuneration (money or position), but the internal need in corresponding their own quality standards. Ambitiousness also demands vigor, readiness not to miss an opportunity or to create them. Nevertheless, if such an activity appears in the absence of other necessary skills of emotional intellect, so persistent a desire of achievements may lead to trouble. Lack of sensitivity may result in leaders' doing current tasks recklessly, without paying attention to employees' concern. Ambitious leaders who lack deep self-consciousness are unlikely to notice their own blunders.

Such leaders often lack other skills as well, particularly capability for effective cooperation and competent communication (especially they lack in ability to make a timely and tactful reproof to an employee on his/her work quality). But the most striking is underdevelopment of self-control skills – this defect is manifested in excessive attention to trifles, or even in worse habits.

On the whole, the ambitious leadership style may be effective if used in combination with other approaches, for example with enthusiasm of the idealistic style, or with collective-uniting talent of the companionate style. Most often, ambitious leaders come across difficulties when a brilliant expert gets a promotion and is forwarded to an administrative position.

As a rule, the leaders, abusing ambitious style or misusing it, lack perspective vision, and usually such leaders cannot stir up a vivid emotional response from their employees. Too often these leaders trust only to figures which is not always enough to inspire or motivate people.

1.6 Authoritative strategy

HOW EMOTIONAL IMPACT IS BUILT UP: the leader disperses fears clearly showing the movement direction in unpredicted circumstances.

IMPACT ON ORGANIZATION'S CLIMATE: utterly negative, especially when abused.

APPROPRIATE FOR USING: in a crisis situation when a total reorganization of business is necessary, or when dealing with difficult employees.

THE SOURCES OF AUTHORITATIVE STYLE

So, how does the authoritative style, often called voluntaristic, looks in practice? Being guided by the motto "Do, because I said so," such leaders demand immediate obedience from employees, but don't give themselves the trouble of explaining the sense of their orders. If

employees don't follow these orders unreservedly, the leaders resort to threats. Instead of delegating authority they strive for control and carefully track every step of their employees. Accordingly, in evaluating their employees' work, if they evaluate it at all, they invariably focus attention on what was done incorrectly and not on what turned out excellently. Briefly speaking, this is a classical recipe of bringing disharmony into organization's climate.

No wonder that, according to our data, of all leadership styles the authoritarian is in most situations the least effective. Let's see how the use of this style affects the general atmosphere of an organization. As the virus of emotional state is easier transmitted along the hierarchy from top to bottom, it is clear that a senseless, instilling fear leader poisons the mood of the whole collective, and organization's climate worsens sharply. Take a willful hospital director: he didn't see the connection between his leadership style and decrease in patients' satisfaction. But such connection exists. His conflicts with nurses and doctors spoilt their mood. That is why it was difficult for medical staff to display friendliness to patients which is an important factor of positive perception of medical service quality.

By seldom encouraging employees, but not forgetting to criticize them, an authoritative leader risks breaking people's spirits. He deprived them of dignity and satisfaction of their work – and these are the feelings that stimulate high productivity. By his actions he can lose the most important instrument necessary for any leader: the ability to convince people that their work is part of the common mission. People lose enthusiasm, they feel alienated from their work, and ask themselves in perplexity, whether their efforts have any sense.

Despite the multitude of negative consequences of such management, voluntaristic leaders thrive all over the world – there are probably even too much of them. We inherited this style from the old hierarchic system of command management typical of the XX century business. In those times organizations adopted the army management model (management from top to bottom by principle “I order you”) which was needed rather on a battlefield than in peaceful life. By the way, nowadays in progressive military organizations, authoritarian approach is compensated by other styles which are used in order to strengthen commitment to profession, readiness to defend the honor of the regiment and maintain the spirit of comradeship.

In most of modern organizations the executives acting by the rule “do it because I say so” are gone to oblivion. As one technology company's general director said, “Of course, it is possible to trample people in dirt and make money on them, but will such a company hold on for long

Topic 7. Group forming within an organization and collective management

1. Group forming. Group classification. Peculiarities of management in formal and non-formal group structures.
2. The main characteristics of a collective, its forming and management.
3. Group work effectiveness.

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1. Group forming. Group classification. Peculiarities of management in formal and non-formal group structures.

Groups play an ever greater role in organization's development. Group behavior is an important part of organization behavior.

A group is a union of two or more people uniting in order to achieve a concrete aim.

The notion of a group is quite complicated and important, because groups and their work make a great impact on activity effectiveness of both an organization as a whole and a separate employee in particular.

It is of utmost importance for a manager to know the peculiarities of group behavior and to be able to build up his/her politics in such a way that the group was constructive, and not destructive.

To be able to manage groups effectively a manager should understand their nature, to evaluate the effect of their sizes, to know methods of groups' formation, the ways of their development, ey roles in the group, and so on.

There is distinguished a number of parameters by which it is useful to classify groups. They include the size, a group's nature of formation, and purpose.

Group classification by their sizes

The *dyad* is a group of two individuals. Dyads try to avoid controversies (as they may lead to failure), and the result of this may be an obvious coordination of actions even if it doesn't exist (a false consensus)/

In the *triads*, or groups of three individuals, the balance of relations is constantly destroyed. Here, there is a very high potential of power struggle, unplanned unions, and general instability. As a rule, managers are recommended to avoid triads, especially when the set tasks lead to necessity of frequent interaction between employees which presents an opportunity of pressing each other. Under conditions of confrontation and struggle for leadership such tasks cannot be solved.

A *small group* counts 4 to 15 people. If the group doesn't exceed 10 people it is possible to freely communicate with each other, but when a group becomes large, people don't catch the essence of problems and participate less in discussion, express fewer ideas.

The concept of a small group is of interest for managers from various points of view, because work-teams for project realization, commissions, etc. are usually small groups.

When forming a small group, managers should avoid an even number of group-members, because such groups usually come to a deadlock. It is better to create group with uneven number of members – for instance, 5, 7, 9 people who work much more effectively.

A large group is a group with the number of group-members exceeding 15 persons. Large groups are organized for a short period of time. For example, a shareholders' meeting, some collective members' meeting, various conferences, etc.

When the size of a group increases its activity efficiency may both increase, and decrease. The influence of group size on its effectiveness is summarized in Table 4.

The effect of group size

Dyads	Triads	Small groups	Large groups
<ul style="list-style-type: none"> - two people - danger of not finding common decision - false consensus 	<ul style="list-style-type: none"> - three people - two against one - conflicts - tension 	<ul style="list-style-type: none"> - ideal size 5 – 7 people - uneven number of members decreases a possibility of going into a deadlock - good opportunity for interaction of group 	<ul style="list-style-type: none"> - more than 15 people - weak opportunity for interaction of group members - decrease in unity level - decrease in satisfaction level - intensifying of formal component

		members - unity	- dependence of work quality work quality on the nature of tasks
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Group classification by the nature of forming

Formal groups are stipulated by an organization's structure for performing specific tasks. Among formal groups it is possible to distinguish the groups functioning on a considerably permanent basis, and temporal groups, formed for the period of performing certain tasks.

Informal groups are created to satisfy social needs and communication. For example, a group of employees who have graduated from the same university, or a group of colleagues having united for participation in sport competitions.

Informal groups can be horizontal, consisting of people of similar status, performing at work similar functions, or vertical, consisting of people who are at different steps of the organizational ladder. To such groups relate, for instance, groups of old-time workers uniting on interests. *Casual* informal groups embrace both the vertical and the horizontal of an organization and appear around any community of interests. These groups may develop to such an extent that they are capable of overcoming the organization's rules or increase the power of its members. They can also consist of people who like and trust each other, and possibly communicate outside work-place, as, for example, theater-goers or who are neighbours.

Informal groups can be very effective and very strong, which, possibly, explains why many managers pay attention to them. Effectively working managers gain support from informal groups and their leaders in order to decrease their possible danger or to reinforce his/her position and strengthen his/her place in organization.

Group control is of great importance in modern management. Since organizations of any size consist of groups, a manager needs to have a good knowledge in the peculiarities of appearing and development of formal and informal groups. A modern manager must understand the importance of informal groups' existence. (S)he should try to provide close interaction between formal and informal organization as **informal organizations dynamically interact with formal ones , influence work quality and people's attitude to work and the higher-ups.**

The scope of problems connected with informal organization includes those of effectiveness decrease, rumors spreading, and the tendency to resist changes. To potential benefits relate great loyalty to the organization, and high collectivism. A higher work

productivity is observed when group norms exceed officially established ones. To cope with potential problems and master potential benefits of an informal organization the management should recognize the informal organization and work with it considering the opinions of informal leaders and group-members, allow informal groups to participate in decision-making and quench rumors by prompt providing official information.

Knowing group dynamics well, the management may control groups effectively, hold effective meetings, wisely use such structures as committees in the activity of their enterprise.

The mechanism of informal groups' control may be represented as a certain set of rules which should be kept by an organization's executive.

The basic rules of informal groups' control:

1. To accept the existence of the informal organization.

One of the biggest and most wide-spread difficulties impeding effective control of informal groups and organizations is initially low opinion of their leaders. It used to be believed that in order to cope with an informal group it is necessary just to destroy it. But at present there has been established the opinion that informal organization may help the formal one in achieving its aims. And its destruction may lead to that of the formal organization as well. That is why the management should recognize the informal organization, work with it and not threaten its existence.

2. To study the factors influencing the effectiveness of informal groups' functioning.

Group size. One of contemporary scientists, Keith Davis, thinks that the preferable number of group members is 5 people. These groups take more correct decisions than those beyond this number. In smaller groups their members worry that their personal responsibility for the taken decisions is too obvious. On the other hand, in larger groups their members may experience difficulty, shyness in expressing their opinions in front of others. Generally, as the group size increases, the communication between its members becomes more complicated, and reaching agreement on the questions connected with group activity and the tasks performed becomes more difficult.

Group membership. Here, under the membership is understood the degree of similarity of personalities and points of view, approaches which they show at problem solving. If a group consists of unlike personalities, this promises a greater efficiency than a group whose members have similar points of view.

Group norms. The norms adopted by a group make a strong impact on an individual personality's behavior, and the direction in which the group will work: on achieving organization's goals or resisting them.

Group unity is the measure of inclination of group members to each other and to the group. A united group is a group whose members experience strong inclination to each other and consider themselves similar. Because a united group works well in the collective a high unity level may increase effectiveness of the whole organization if their aims agree with one another. They have less misunderstanding, strain, enmity, and mistrust, and their work productivity is higher than that of non-united groups.

Proneness to conflict. It was mentioned before that the difference in opinions usually leads to a more effective work of a group. But it also increases conflict probability. Despite the active exchange of opinions is useful, it may also lead to intragroup conflicts and other manifestations of open conflict which are always fatal.

Group-members' status. The group members whose status is quite high can make a greater impact on group decision than those with low status. But this does not necessarily leads to efficiency increase.

Functional role of group-members. There are two kinds of role directions to create a normal functioning group. The target roles are distributed in such a way as to have an opportunity to select group tasks and fulfill them. The supporting roles suppose a behavior enhancing activation of group's life and activity.

3. To develop and apply in practice the methods of informal groups' control in order to use their potential and benefits and to decrease the negative impact.

2. The main characteristics of a collective, forming and controlling it

Social psychology views **a collective as a special group quality connected with common activity**. This special quality is a product of development of groups existing within a certain system of social activity. From this point of view, **not any group can be viewed as a collective, but only that which has formed certain psychological characteristics which appeared as a result of its main activity's development** and are of special importance for its members.

One can distinguish three main characteristics which are pointed by different authors as obligatory signs of a collective. First of all, **a collective is a union of people in the name of achieving a certain socially approved aim** (in this sense as a collective cannot be considered a united, but antisocial group, for example a group of criminals).

Secondly, this is a union voluntary in character, and by “voluntary” we mean here not spontaneity of collective’s forming, but such a group characteristic when it is not simply “pre-set” by outer circumstances, but has become for the individuals comprising it the system of the relations actively built by them on the basis of common activity. A considerable sign of a collective is its integrity. It is expressed in the fact that a collective acts as some activity system with inherent to it organization, distribution of functions, certain structure of control and management. Finally, a collective is a special form of relations between its members which ensures the principle of personality development not in spite, but together with the collective’s development.

At present there are several “models” of a collective’s development, each of which fixes the special stages in this movement.

The most detailed concept of a collective’s development belongs to A.V. Petrovsky. It presents a group consisting of three strata (layers). Each of them is characterized by a certain principle, on which the relations between group-members are built up.

In the first layer there are realized first of all **immediate contacts between people** based on emotional acceptance or unacceptance; **in the second layer** these relations are mediated by **the character of the common activity**; **in the third layer** named the group core, there develop the **relations based on acceptance by all group-members of the common aims of group activity**. This layer corresponds to the utmost level of a group’s development, and, consequently, its presence enables to state that we have a collective in front of us.

The central link of group structure is made up by the group activity itself, and this should be necessarily a socially positive activity. The sufficient extent of its development can be proved by means of the three selected criteria: 1) evaluation of the main social function performed by the group; 2) evaluation of the group’s conforming with social norms; 3) evaluation of group’s ability to ensure each of its members a possibility for full-fledged (or socially accepted) personality development.

The second layer of group structure is the fixation of **each group member’s attitude to the group activity, its goals, and tasks**. This layer is described at present as not only the

coincidence of values concerning common activity, but also as the development of a certain motivation of group members, their emotional identification with the group.

The third layer fixes interpersonal relations proper which are mediated by activity.

The fourth layer of group structure **fixes the superficial relations between group members**. These are the same interpersonal relations, precisely that part of them which is built on immediate, emotional contacts, where neither collective activity goals, nor orientation values significant for the whole collective act as the main factor mediating personal contacts of group members.

When creating a collective, it is necessary to start with setting clear ideas which are quite a powerful means of unity. At first, these aims needn't be too large and complicated, for people to be able understand them easily and gain success with certainty. Success produces trust, consent, and mutual understanding, and this is the key to new success. Nothing unites people like common search for solutions, that's why people should be consulted with as often as possible. People's creativity enables to disclose the collective's potential in a new way.

There are two types of collectives – formal and informal. Formal collectives are created by management for a certain period, temporally or permanently in order to perform some official work. This can be subunits within the enterprise's hierarchical structure, or inter-functional ones, needed for coordination of main units' activity, common search for important decisions.

Simultaneously with the creation of formal groups there spontaneously appear a number of informal ones which jointly comprise the informal organization. It unites the same employees of formal collectives for their gaining their own aims quite distant from the official ones by discovering in the course of everyday communication ever more points of contact.

Unlike formal collective, the **informal** one is not created on purpose by anyone, it **appears spontaneously**. The western specialists distinguish **five stages of this process**. On the first stage people are united unconsciously, spontaneously, reacting to some events, for instance, to danger. On the second stage, the basis of the uniting are usually more conscious emotions – hatred or, on the contrary, devotion to something or someone. On the third stage an informal collective is united yet organizationally to struggle jointly against some outer constant danger. On the fourth stage as the factor uniting people acts something positive – aspiration for long-time establishing in competition or joining a prestigious club. And still, such informal entities are temporal. They become permanent on the fifth stage when people are united for solving large,

long-term goals which cannot be achieved otherwise. Thus appear trade-unions and political parties which in their character approach formal organizations.

In any collective there is the so-called “prestige scale” where employees take their position in accordance with their colleagues’ recognition. This position is far from always being the same as that in the formal list of ranks. It often happens that the highest authority in a collective has a person who formally doesn’t hold any positions of responsibility. Such a person becomes informal leader of the collective.

A leader and an executive is not the same thing. The difference here is the same as that between a formal and an informal group. A **leader** is a person who in relation to the group can be viewed as its mirror. Only **the person who has the traits which are welcomed and approved in exactly a given, specific group can be its leader**. That is why planting a leader into another group or appointing him/her from atop as an executive is unproductive.

There are distinguished:

1. **Leader-organizer**. His/her main difference is that (s)he perceives the collective’s needs as his/her own and acts accordingly. This leader is optimistic and is sure that most of the problems are quite possible to solve. (S)he is followed in the knowledge that (s)he will not offer castles in the air. (S)he can persuade, is disposed to giving incentives, and if having to reproach (s)he does it without hurting other people’s dignity, and as a result, people try to work better. It is such people who try to be in the forefront in any informal collective.

2. **Leader-creator**. (S)he attracts first of all by the ability of seeing the new, of taking up problems which may seem insolvable or even dangerous to others. (S)he doesn’t order, but only invites to discussion, may pose a task in such a way that it will interest and attract people.

3. **Leader-fighter**. (S)he is strong-willed, sure of his/her strengths person. (S)he is the first to meet danger or uncertainty. (S)he is ready to defend what (s)he believes in and is not disposed to compromise. But such leader sometimes has not enough time to think all his actions over and to foresee everything. “Recklessness of the brave”, to cite M.Gorky, — this is his style.

4. **Leader-diplomatist**. If (s)he put all their abilities to evil ends (s)he could quite be called the master of intrigue. (S)he leans on excellent knowledge of situation and its hidden details, aware of gossip and rumors, and that is why knows who and how can be influenced. Prefers confidential meetings in the circle of like-minded persons, allows to speak openly of

well-known things to distract attention from his/her concealed plans. Though, as a matter of fact, the diplomacy of this kind often just compensates inability to lead in more dignified ways.

5. **Leader-consoler.** People are attracted to him/her because (s)he is ready to support in need. They esteem people, treat them in a friendly way, polite, attentive, capable of empathy.

A group solving an important problem always puts forward a leader for its solution. No group can exist without a leader. Many people think that all problems are solved if a manager succeeds in combining the functions of leader and of executive in his/her activity. But in practice, these functions are often not only incompatible, but opposite. An executive can only partially assume the functions of leader. If for a leader ethical criteria come first, a manager is busy mainly with function of control and distribution.

In many respects, **collective's unity depends on the stage of its maturity.** Psychologists distinguish five such stages. **The first one is called accommodation.** At this stage people still have an eye on each other, decide whether their way coincides with the others', try to show their ego (or "I"). Interaction takes usual forms in the absence of collective creativity. The decisive role in collective's unification is played at this stage by the executive.

The second stage of collective's development, "the conflict" stage, is characterized by open formation of clans and groups within the collective; **disagreements are openly expressed,** people's strong and weak points come out to light, personal relations become significant, power **struggle for leadership** and search for compromise between opposing parties begin. At this stage there may appear counteraction between an executive and some of the employees.

At the third stage – the experimental stage – the collective's potential increases, but in often works in fits and starts, unrhythmically. That is why there appears desire to work better, with other means and methods.

At the fourth stage in the collective there appears experience of successful solving of problems to which they approach, on the one hand, realistically, and on the other hand – creatively. Depending on the situation, leadership functions in such a collective go from one person to another, each of them being proud to belong to it.

At the last, **the fifth stage, strong ties are formed in the collective.** People are accepted and estimated by their true worth, and personal disagreements between them are settled quickly. Relations are shaped mainly in informal way, which enables to demonstrate high work-results and behavior standards. It is far from all collectives that come to the topmost levels (the 4th and the 5th).

Relying on collective often enables to refuse from total control and develop more effective self-control, broaden the authorities limits in the course of people's performing their duties, refuse from forceful problem-solving from atop when there is no real need in it.

For managers the collective is the main support in his/her work. For a collective can always gain more than each of its members alone in total. Besides, people in a collective are usually less prone to stresses, but on the other hand they produce more ideas and solve large-scale interdisciplinary problems better. In a collective there always appears a special spirit of competition which pulls up the lagging members and considerably increases general work-efficiency.

A collective can potentially achieve more than every its individual member in total. Despite of this, collectives often fail to involve even a small part of their potential. Usually it is observed that interaction in the collective is unviable, directed at defense, doesn't bring satisfaction, is confused and ineffective. At the same time, collective work can open huge new possibilities. The collective was once called "the most powerful tool ever known to mankind".

Potentially, it is an incredible stimulus, the factor of support and inspiration. People can enjoy belonging to a collective, devote themselves to it, set high goals, establish a stimulating and creative environment. The ability of gaining complete disclosure of a collective's creative potential testifies its manager's high organizational skills.

3. Group work effectiveness.

So, what are the main factors influencing the effectiveness of group work? These are the following four types of factors:

- 1) organizing – status, group's size and composition;
- 2) the environment in which the group functions, the state of facilities and the specific place where the group works;
- 3) importance and character of tasks facing people;
- 4) freedom for people to organize their own work which enables them to work more harmoniously and with more interest.

And what are the main ways to ensure a collective's effective work?

1. First of all, both a formal, and a non-formal collective should have a strong leader interested in its successes. As a rule, every group has their own way of work and their own specific traditions which govern their everyday behavior. Influencing people community means

that their settled behavioral patterns should be changed, which is easiest to achieve by interacting with those who wields power within such groups.

2. Collective's success is ensured by its normal moral-and-psychological climate. Its presence is testified by people's mutual support, open discussion of contradictions, unwillingness of being transferred to a new place. It is better that a collective be various, consist of unlike people, which promises greater work efficiency.

Psychologists have noticed that unity is contagious and can have a positive impact on others, so they advice to strengthen it purposefully, including by means of formal and informal events – from meetings and conferences to picnics and ceremonial dinners.

The science of managerial behavior attaches the utmost importance to contact establishing, consultations, and personal ties between an executive and employees. Such emphasis on human relations serves as an antidote against exploitative and mechanistic views on everyday managerial activity.

A collective's manager takes personal responsibility for other members and does it directly and honestly. It is unlikely that any other profession in society apart from management discloses a personality's essence as completely. Executives who use their power to manipulate and degrade people are soon discovered and rewarded with scorn and mistrust. Trust is the key to establishing a healthy and productive collective. Trust is born when people say what they think, and in professional sphere or situations of uncertainty weaknesses are eliminated.

3. A workable collective must have the optimal size.

4. An important feature of a healthy collective is clarity of the goals. Everyone should visualize the results to strive for, to clearly understand and share the collective's aims. And then people will devote themselves to the cause more willingly and will search for the optimal compromise between personal and collective interests.

Human energy is the most important resource under control. People are capable of devoting their energy to their needs satisfaction or to being responsible for their work. For when a person is compelled to work against his/her will they lose the ability of expressing their hidden energy and animosity. The task of an intuitive manager is to release the employees' energy and direct it on organization's goals achievement. In the language of the science of management it shows a manager's care for employees' motivation.

5. Collective goals, as a rule, suppose achieving high results, and the latter demand corresponding norms and standards which show what behavior is expected from the collective's

members. Only when these norms are observed can personality count on support and recognition from the others, as well as corresponding stimulation of their input in the common cause.

6. A good collective is characterized by constant being in the state of search for new knowledge, ideas, perspective methods of work. In such a collective the search becomes people's inner need, stimulating the development of every employee's individual creative abilities. Control efficiency depends on the extent to which the executive can create and maintain constructive atmosphere in the collective.

So, the general regularities of a viable and effective collective are the following:

- the collective is a product of the development of both a group as a whole and all its individual members in the context of common socially meaningful activity;
- the condition of collective's formation is the presence of normal interpersonal relations and harmony between the formal and the informal relations in the group;
- the latter should be manifested in successful interaction in the process of management by the executive and the group's informal leader;

It is necessary to correctly use social-and-psychological methods of a collective's control. The methods of direct management suppose immediate contact, they are not long-term, don't call for special conditions. They are persuasion, compulsion, suggestion, pointing out a behavior example. Indirect methods don't call for direct contact between a manager and an employee, they are more prolonged in time, and need creation of special conditions for influence. This is the method of orientative situation, the method of symbol regulation, the method of changing the elements of executive role, the method of forming stimulation. Creation of a collective's social-and-psychological climate is the most important goal of an executive.

Psychological climate is the prevailing psychological mood, the totality of group members' attitudes to the conditions and character of common activity (emotional and formal attitude); to colleagues, group-members (horizontal: formal, and interpersonal relations, attitudes of sympathy – antipathy, esteem – non-recognition); to the collective's executive (vertical relations: official and interpersonal relations that play the leading role in the extent of employee's satisfaction, in a person's mental state). Conflict relations with an executive often end up in an employee's leaving the collective. Employees' relations with the executive, the collective's psychological climate, its work results depend on the style of management realized by the executive.

Topic 8. Relations between the personality and the group in management systems

1. The forms of group structures' psychological impact on personality.
2. Social and psychological phenomena of a personality's behavior in a group.
3. Psychological compatibility in management structures.

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1. The forms of group structures' psychological impact on personality

Relations between the personality and the group seem to be quite complicated. For understanding and evaluating these relations one should take into account both personality traits, and the activity composition and character, as well as the group's organizational level, and other, broader social entities.

There are possible such situations when the interaction takes place in randomly appearing, spontaneously formed groups not united by substantial common activity. And these are usually not micro-groups, the dyads and the triads, but more numerous entities with unstable relations which appear for a short term often on an accidental pretext. In similar situations there appear such ways of people's communication, as contagion, imitation, suggestion, and conviction. They are also called mass-states typical for entities like "mass", "crowd", etc. The appearance of such states is influenced by the media, the mass-culture (pop-music, for instance), mass forms of leisure pass-time (for example, football fans), advertising, fashion, forms of religious propaganda, and others. So what are these ways of influence?

Contagion is a kind of influence which integrates the members of a single group or large masses of people on emotional basis. Successful fulfillment of a task causes enthusiasm of all group-members. History recorded many cases of emotional contagion of masses: religious ecstasies (the crusades, auto-da-fes); mass psychoses on the grounds of rumors of fires or epidemics; sport excitements; young audiences' ecstasies at rock- and pop-music concerts, and others. Contagion appears on the basis of unconscious, involuntary susceptibility of a person to certain emotional states: anger, aggression, rejoicing, excitement, panic, and so on. What takes place here is not conscious analysis of a situation or behavior patterns, but transmission of mental states. Because this phenomenon appears among the multitude of individuals, here acts the mechanism of mutual amplification of communicating people's emotional influences.

A special situation where the impact through contagion amplifies is *panic* (from Greek *Pan* – the god of woods, the patron of flocks and herdsmen causing terror in people with his ugly appearance). A pretext for panic can be any news causing emotional shock. In the absence of organizing force (for example, a strong-willed executive) panic gains strength triggering the mechanism of mutual multiple contagion. In modern time there was observed many times panic caused by expectation of “the end of the world”, “alien invasion”, etc. In such emotional state people often experience visual and aural hallucinations, as a result of which hundreds of people “testify” of “saints' appearance” or “Martians' landing”. For any person who finds oneself in the situation of panic it is difficult to realize its reasons, for they appear to be personally involved in this state to a greater or lesser extent. The knowledge of panic's causes and cycles is important for preventing it. Persons capable of controlling the mass, especially law-enforcement officers should possess will-power traits and be able to introduce the element of rational analysis into the panic situation, to seize leadership in this situation, and to demonstrate an example of corresponding reasonable behavior which people will follow and return to a normal emotional state.

Among the reasons causing emotional contagion should be noted the following:

1. Development of a certain community of appraisals, attitudes intrinsic to a mass of people. For example, in mass performances the stimulus preceding emotional contagion of the audience is the applause at pop-musician. Specially developed methods of mass influence (processions, music, singing, slogans, colours, etc.) serve in combination to involve people into a state of emotional enthusiasm. Emotional contagion can serve as an additional uniting factor until it exceeds some optimal intensity. Nevertheless, going out of control, mutual contagion

may lead to disintegration of normal and informal-and-role structures and to the turning of an organizingly interacting group into a crowd.

2. The general level of intellectual and moral development level of personalities comprising the given community. The higher the development level of a society, the more critical is people's attitude to the forces trying to entice them on the way of certain experiences and the weaker is the manifestation of contagion mechanism.

The phenomenon of contagion is viewed mostly in conditions of spontaneous antisocial behavior (catastrophes, natural disasters). But this mechanism acts also in conditions of mass socially conscious actions – social movements. The role of contagion is also seen in organized socially benign behavior (for instance, the role of personal example in tensed production situation, in military surroundings). It is possible that in such cases there is manifested compensatory function of contagion in conditions of insufficient organizing of human communities.

Imitation. In the process of imitation there happens not the simple acceptance of external peculiarities in behavior as in the case of contagion, but the reproduction by an individual of other people's traits and modes of behavior, i.e. a more active way of their adoption. In the "imitation theory" by G. Tard, this phenomenon is absolutized as the main principle of people's socializing, their interaction in conflict groups, etc. Including many useful observations, this theory at the same time oversimplifies the processes of people's relations history.

A special role is played by imitation at childhood and teenage, being the main form of reality perception. It passes the number of stages – from passive mimicking of adults' behavior by children (A.S. Makarenko) to conscious mirroring of adults by teenagers. For adults imitation is an additional means of mastering social reality. Usually, external features of behavior are accepted as the example, but this process does not touch the individual's stable personal characteristics. In adults, imitation occurs in those cases when it is impossible to use any other means of mastering new activities (for example, when mastering a simple work-skill or elementary professional action). But usually the main way to master new information for adults is active means of forming and acquisition of knowledge. That is why the imitation mechanisms as well as contagion mechanisms in adults are much more complicated. Contagion faces an adult personality's criticism of the impact it causes, as well as the personality's feedback attention to the influencing object. These interactions get especially complicated in a group. In the context of a group, when assimilating the observed behavior pattern an individual displays two levels of imitating: either a certain person (most often the leader), or the norms of behavior developed by

the group. In the last case the phenomenon of imitation close in with the problem of conformism, i.e. the pressure of the group on an individual.

Suggestion is the form of deliberate, non-argumentative influence of one person or a group on another person or a group. In the situation of suggestion information is assimilated uncritically, non-argumentatively. The phenomenon of suggestion is long since noted in psychology and has been adopted from medical practice and from the practice of upbringing. The phenomenon of suggestion in social psychology is viewed as a specific phenomenon of “social suggesting” and for the first time was studied by V.M. Bekhterev (1903). The specific of suggestion as opposed to contagion is the following:

1) here, there is no mutual experiencing identical emotions, but a unidirectional active influence by the “suggestor” on another person or a group;

2) as a rule, suggestion is verbal in character, while contagion includes rhythms, movements, pantomime, etc.;

3) unlike convincing, suggestion doesn’t demand logical argumentation, because here not an individual’s agreement is achieved but his/her acceptance of information with ready-made conclusions. In suggestion there prevails emotional-and-volitional and not rational impact by a suggestor.

There is a number of well-known conditions influencing the efficiency of suggestions:

a) age influence (children and teenagers are easier to be suggested than adults);

b) mental and physical state of adults (tired and physically weakened people are easier to be suggested);

c) suggestor’s authority, especially that of an executive or a leader which creates an effect of trust to the source of information. Authority of trust is manifested in relation to not only the personality of the executive, but also to the group (s)he represents. Authority can influence by way of “indirect argumentation” which exchanges direct logical argumentation in the course of suggestion;

d) peculiarities of personalities undergoing suggestion (suggerents).

The phenomenon of suggestion is manifested in close connection with phenomena of social perception, of unity. A previously formed social attitude may serve as an important factor of suggestion. Thus, the inherent in employees attitude on necessity of submitting to the executive increases the suggestion effect expected by him/her. The phenomenon of suggestion is also connected with an individual’s conformity, and hence with the issues of group unity.

Suggestion effect takes place in such spheres of social influence as *propaganda* and *advertising*. In propagandistic influence appealing mainly to the audience's emotions suggestion is used in a considerable degree. And if propaganda is aimed mostly at people's logic and consciousness, the method of *convincing* prevails in it.

Suggestion methods are manifested especially brightly in *advertising*. There is applied the method of *image shaping for the perceived object* when the viewpoint is intentionally shifted, and attention is accentuated only on an object's certain qualities with appeal to people's emotions. Also, the image's paint is often laid on thick, it gets exaggerated, and thus suggestion effect is achieved.

Convincing, unlike other phenomena of mental influencing people discussed above, does not represent a kind of sporadic, involuntary impact. Convincing ensures an individual's conscious perception of the information imparted to them, and is related to deliberate social impacts of educational, political, economic character under which an individual manifests a certain analyticity and criticality of perception. Convincing is widely used in managerial process as an executive's voluntary influencing certain employees and a group in order to ensure a certain final result of their activity and to form their personalities. That is why we shall further consider conviction as a means for an executive to influence the members of the group headed by him/her.

All the viewed kinds of influencing people can be fulfilled in the conditions of both out-of-collective spontaneous behavior and in mutual group activity; nevertheless they always take place during social interactions. The character and efficiency of these impacts depend on the one hand on unity levels of given social entities, and on the other hand they considerably influence the formation of interpersonal relations in groups and their unity levels.

2. Social-and-psychological phenomena of a personality's behavior in a group

As we have already noted before, an impact (pressure) considerably influences group-members' behavior. Nevertheless, this impact turns out to be different for various people in connection with the peculiarities of their personalities. In conditions of group communication and interaction people show specific traits which are called social-and-psychological phenomena of group behavior. To such phenomena are related various manifestations of a personality's activity in a group.

Personality attitudes are manifestations of unconscious drive to activity. The attitude theory was developed by N.D. Uznadze's psychological school, where for the first time there were experimentally discovered the phenomena of cognitive and practical attitudes.

For instance, if a subject is offered two objects different in size to be compared, and then offered two other objects of equal size, the person will perceive them as different in size. The subject has the illusion of the identical object's inequality which is explained by the fact that perception of two actually equal objects takes place under the conditions of a subject's preparedness for objects to be unequal, i.e. under the attitude as a need to perform an action of comparison in a certain way. Thus, an *attitude* is an unconscious personal state of readiness for a certain activity by means of which one or another need can be realized.

As a result of recurrent "attitudinal situations" in a subject there is gradually formed a "fixed attitudes set" which imperceptibly for the person themselves determine his/her position in life in perceiving of surrounding reality.

In social practice psychologists distinguish the forms of behavior in which the fixed attitudes of a personality at perceiving people and events are manifested. An attitude is a psychological mechanism of those communication stereotypes. For instance, the attitude to the necessity of obeying the executive's orders causes preparedness to carry out any orders without critical evaluating him/her as a personality. Looking closely at people's personality traits we are trying to understand what they are like, whether we can trust them, etc. And here often are applied set attitudes, social stereotypes, worldly ideas that have been formed by every person, as well as the level of psychological culture in the ability of perceiving and critical estimating other people. The following example can serve to demonstrate a social attitudinal stereotype: many people believe that a professor is always myopic and misfit for everyday life; a student is always cheerful, witty, mobile, and is never prepared for an exam; all Englishmen are skinny, arrogant and composed, and the only thing the French ever think of is love. The attitude to sportsmen is expressed in the saying "He who has strength needs no wits".

Meeting a new person we immediately relate him/her to a certain category and build up our behavior in accordance with a set stereotype. Psychologists distinguish three types of attitude at perceiving another person:

- positive attitude causes us to overestimate the positive qualities and ignore the weak traits of a person, i.e. we give the person a big advance which is manifested in unconscious trustfulness;

- negative attitude makes us perceive only negative qualities of another person, expressing mistrust and suspicion;

- adequate attitude is connected with understanding of the fact that every person has both advantages and disadvantages, the main thing being their balance and evaluation by another person.

The presence of attitudes is viewed as unconscious predisposition to perceive and evaluate other people's qualities. These attitudes lie in the basis of typical distortions of another person's perception. Here are examples of some of distortions.

"Nimbus effect" is the impact of general impression of a person on perception and evaluation of particular traits of his/her personality. If employees or executive have formed a positive opinion of a person, his/her bad act is perceived as an incident. And a good act of person who is believed to be bad is also perceived as an incident. Very often this effect hinders adequate perceiving people and creates conditions when capable and bright individuals are completely unable to work in a given group because good things are not noticed, while disadvantages are exaggerated.

"Sequence effect". The judgement of a person is influenced most of all by the information presented in the very beginning. Usually an ill-wisher who wants to spoil a person's reputation hurries to tell a new boss something that discredits the person. At such attitudinal background it is difficult for a person to justify oneself and prove something. Much time will pass before the chief will sort the situation out and estimate who is who.

"Advancing effect" is ascribing to a person non-existing merits and then facing disappointment after coming across his/her behavior which is inadequate to the formed positive opinion of the person.

"Effect of one's traits projection on other people" causes the attitude at expecting corresponding behavior. This effect is often manifested in people's inability to see another person's point of view, to stand in another person's shoes, so to say. D. Carnegie stresses the formation of ability to see the events through another person's eyes instead of keeping to the usual scheme "I wouldn't act like this".

As a special kind of attitude, the phenomenon of *"attraction"* can be distinguished. Attraction (literally pulling up) is a kind of attitude at another person in which there prevails emotional component of this person's attractiveness to others. The manifestation of attraction is influenced by such circumstances as similarity of partners' characteristics in communicating,

closeness, frequency of their meetings, mutual assistance and appearing on this soil positive emotional relations. That is why attraction can be viewed as the function of emotional regulation of interpersonal relations in groups where affective side of interpersonal estimations considerably prevails over the rational side.

Conformity (from late Latin *conformis* – similar, alike) is a personality's conscious or unconscious submission to the influence of the group it belongs to. The notion of conformity is close to the accepted by our domestic psychology notion of *suggestibility*. We have already viewed the phenomenon of suggestibility exerted by a group upon an individual. But people succumb to this influence to various extents or don't succumb to it at all by way of inherent grade of suggestibility, or conformity. From suggestion as the form of involuntary and uncritical accepting of another person's opinion conformity is different in that that along with unconscious imitating there can also be voluntary forms of it. Conformity is a personality's susceptibility to the real or imaginary influence of a group which is manifested in change of behavior and attitudes in accordance with the position of majority even if this position was not accepted by the individual previously. There are three types of conformity.

Type I is the *personal spontaneous form of conformity* which develops in accordance with the scheme "May-bug – Thumbelina as described in H. Anderson's fairy-tale. As it is known, May-bug sincerely believed Thumbelina to be very beautiful and even fell in love with her, but influenced by his beetles-brethren he disappointed in her, for the beetles decided that she was ugly being unlike a beetle. In this case, an individual displays both inner and outer agreement with the group without experiencing conflict of any kind.

Type II is *protective conformity*. In this case, a person by joining a group is looking for protection from trouble threatening him/her outside the group, (s)he spontaneously aspires for support on the part of majority.

Type III is *conditional, purely outer conformity* which develops in accordance with the scheme "The king's new dress". In this case, an individual agrees with the group, majority, though in fact (s)he thinks otherwise. (S)he can demonstratively submit to the opinion imposed by the group to earn their approval or avoid reprimand on the part of group-mates, to make a more successful career, and so on.

Conformity is studied experimentally by "dummy groups method" the idea of which is that a specially matched group "presses" on a particular individual urging him/her to change

his/her original opinion. By the rate of submission to such influence the level of the individual's conformity is calculated.

According to scientific data obtained so far, the extent of conformity depends on a number of factors which include: age – children and teenagers are more conformed than adults; sex – women are more conformed than men; profession – among men army officers are more conformed than technical specialists.

According to the data by American social psychologists, 80% of people in society are conformists of various types.

The quality opposite to conformity is *negativism* (non-conformism) (from Lat. *negato* – denying), i.e. an individual's unmotivated behavior opposing demands and expectations of other people and social groups. Negativism can manifest as situational reaction (in children and teenagers), and as a personality trait. This quality can be the consequence of a person's need in self-establishing, as well as the consequence of egotism and alienation from other people's needs and interests. The psychological basis of negativism is an individual's attitude at disagreement, negating of certain demands, forms of training, at protest against traditions of a certain group, or a particular person's statements. The extreme manifestation of negativism is stubbornness, a person's proneness to conflicts.

Rigidity (from Lat. *rigidus* – hard) is difficulty in, and sometimes impossibility for a person of changing the previously set activity programs in conditions that demand some changes. There are several kinds of rigidity.

Cognitive rigidity is found in difficulties to re-build perceptions, ideas, memory patterns in a changed situation. *Affective rigidity* is displayed in inability to change emotional perception of the changing objects of emotions. *Motivational rigidity* is displayed in non-mobile rearrangement of the activity motivation system in new circumstances that demand flexibility and changing an individual's character of behavior.

A person's *rigidity level* is determined by interaction of personality traits and the peculiarities of group influences including the grade of complexity of the arising tasks, their attractiveness for the person, the presence of danger, monotonous activity, etc.

Unlike conformity and negativism as unconscious spontaneous manifestations of personality in relation to the group, there is a universally accepted in our domestic psychology phenomenon of collectivism.

Collectivism is a personality's conscious solidarity with group's traditions and demands. A person takes a certain position (either positive or negative) in a group not spontaneously, but as a result of conscious evaluating of the correspondence of group influences to his/her own convictions, displaying in this case *adherence to principles* as an important moral-and-volitional personality trait.

Frustration is a state of personality when a person feels the group's enmity, its real or imaginary counteraction against his/her aims, hopelessness of his/her position in the group, etc. The state of frustration leads to considerable changes in a person's behavior: there can be displayed rudeness, aggressiveness both in relation to the circumstances that act immediately as obstacles, barriers, and in relation to the whole social surrounding, especially in adolescence. Sometimes frustration manifests in self-humiliation, and leads to nervous depression. Sometimes in passive people this leads to the substitution of the blocked activity with imaginary situations. Thus, an employee who couldn't justify his/her failure to an executive changes this situation for the better in his/her imagination. The state of frustration experienced too often may lead to formation of personality's undesirable traits – passiveness, aggressiveness. An ability to create a perspective for each employee's personality is an important skill of an executive.

The viewed complicated dynamics of interaction between personality and a group, as well as observed specific phenomena of group behavior are of considerable practical interest for managers of social control systems because an executive should play a certain role in the regulation of interpersonal relations, relations between each group-member, and the collective as a whole.

3. Psychological compatibility in management structures

In the process of solving common professional tasks employees have to contact each other in order to coordinate their actions. On the level of such coordination their work efficiency depends. This coordination level, in its turn, is a derivative from the employees' compatibility degree. So, what is the essence of the notion of "psychological compatibility"?

Psychological compatibility is the group-members' ability to common activity based on their optimal matching. When forming any production group it is necessary to take into account not only each person's individual-and-psychological qualities, but also possible results of common activity which are determined by the process of their placing together. The level of psychological compatibility is determined by both similarity of some traits of collective members and the difference of others. As a result this leads to complementarity at common task-

solving so that the particular production group makes a certain entity. As has been noted, no group is a simple sum total of individuals comprising it. The integrity principle (F.D. Gorbov, M.N. Novikov) supposes viewing a group as a single inseparably connected organism.

The beginning in studying the problems of psychological compatibility in domestic and foreign psychology in the 60ies was connected with experimental researches made on the groups that were comparatively isolated from other social organizations (cosmonauts, polar explorers, expeditions-members). But the role of groups' psychological compatibility is important in all without exception spheres of common human activity. The presence of high psychological compatibility of employees contributes to their harmonious work, and as a result – to high work efficiency. N.N. Obozov distinguishes the following evaluation criteria of harmony achievement:

- the results of mutual activity;
- emotional-and-energy consumption by activity participants;
- satisfaction of activity participants.

There are several levels of psychological compatibility determined by both employees' personality qualities and the content and difficulty level of the professional tasks being solved. Let's consider such three levels.

1st level is the psychophysiological compatibility which is manifested in the similarity of people's natural qualities: type of nerve system (temperament), physical endurance, capacity for work, emotional endurance, etc. In a number of professional activities these very qualities are needed. If, for instance, a brigade of workers fulfils an urgent building order which demands dexterity and endurance from every participant, the lagging of one of them decreases the wages of all and causes conflict (in this case the one who lags behind has to go). In mass line production on a conveyor belt, in sports games, in digesting information from control panels there is needed a certain speed and actions' coordination of people which makes their mutual work efficient.

2nd level is psychological level which is manifested in the coincidence of qualities which are result of training and education. To this level belongs the coincidence of character traits, people's professional interests, intellectual development level, moral qualities, etc. For example, work of cosmonauts, executives at various levels, a group of law-enforcement officers, etc. demands not so much of physical endurance as a high level of cognitive processes development: memory and attention, thinking, professional experience, acceptance of general moral norms, etc.

3rd level is socially-psychological level which is manifested in the coincidence of personality traits necessary for social interaction on the basis of common world-view: communicativeness, adherence to principles, social attitudes, political views, value orientations. The referred qualities are necessary for taking decisions on the upper levels of management in social management systems, in social-and-political organizations, and to some extent in common work-groups where people show interest to social problems and communicating.

In case of people matching in all the three levels, it is possible to say of their complete psychological compatibility. And at their complete incompatibility there appears *psychological barrier* when people don't wish to communicate, don't accept each other, don't wish to cooperate in any sphere. Nevertheless, both at complete coincidence and at complete incompatibility the barrier arises comparatively seldom. More often, it is possible to observe prevailing compatibility on a number of individuals' psychological qualities when evaluating its level from the point of view of a specific activity's demands. Thus, the deeper employees' incompatibility, the higher the possibility of conflicts arising is, and as a result – work-groups' breakup.

Experiments conducted in order to study psychological compatibility testify to the necessity of distinguishing four types of employees' communicative behavior in the groups which solve common tasks:

- 1) individuals aspiring for leadership, and capable of problem-solving by only subduing other group-members;
- 2) individualists trying to solve the task alone;
- 3) individuals adjusting to the group (conformists) who easily submit to other group-members' orders;
- 4) collectivists trying to solve tasks by common efforts, that is why they not only accept other group-members' proposals, but also show initiative themselves.

Nevertheless, such types of communicative behavior depend not only on people's habits and abilities, but also on the character of the tasks solved. In experiments with operators digesting visual information and taking common decisions, the optimal groups appeared to be those whose members were active enough and exchanged information, acting collectively. The easier a task, the fewer demands for information exchange, and the task can be solved on behalf of one participant – the leader with submission of others.

Similar research conducted in real production groups have shown that the problem of labor efficiency cannot be solved by only manning brigades with workers with the same levels of psychophysiological qualities. It appeared that the presence of these abilities is not the paramount condition determining work-speed (on the example of the work of female fitters). Some group-members possessing necessary professional qualities did not want to work faster. The decisive influence on the speed of performing production tasks by separate workers was made by socially-psychological directedness. On this characteristic the group members could be divided into two subgroups. The first one was comprised of those who orientated on permanent work in that collective and good wages. The second subgroup consisted of those who were more oriented on the possibility of raising their social status by improving their education level, while the wages were on the second place for them.

Thus, to gain the maximum work-efficiency and decrease conflictability in the collective it is necessary to form work-groups not only on the basis of professional abilities, but also with the same professional directedness, i.e. to consider compatibility of various levels.

Topic 9. Methods of Psychological Influence in Management Systems

1. The basic means of managerial influence

- Contamination
- Imitation
- Persuasion
- Proofs
- Disproofs

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1. The basic means of managerial influence

Usually as the basic means of managerial influence the following are distinguished: suggestion, contamination, imitation, and persuasion.

Under the term of suggestion is understood the way of psychological influence which is mainly emotional-and-will in character and is based on an individual's non-critical perceiving and adoption of a deliberate flow of information which needs no proofs or logic and contains ready-made conclusions.

To the main regularities of the process of suggestion are related the following:

- with the age of an individual, and consequently with the increase in social experience the effectiveness of suggestion decreases while scepticism in regard to this means of influence grows;
- effectiveness of suggestion depends on psychic and physiological state of individuals: to a greater extent suggestible are people who are tired, weakened physically, in comparison with

fit people with high vigor. The action of this regularity probably explains the high “effectiveness” of séances held by various “healers” and “sorcerers”;

- The decisive condition of suggestion effectiveness is an executive’s authority (either his personally or that of the social group he represents) which creates a special additional influence stimulus – the trust in the information source. The authority of an executive functions as the so-called “indirect argumentation”, a sort of compensator of the missing direct argumentation.

Performing of effective suggestion is enhanced by:

- information vacuum or utmost inconsistency of current information;
- the subject’s strong psychic and physical exhaustion;
- blocking psychic stress (anger, fear, search for way out of a difficult situation, etc.);
- positive expectations and attitudes;
- rigid categoricity of claims and demands;
- repetitiveness, a certain rhythm of feeding the suggested information;
- a special emotiveness of the message.

As contamination is understood the means of psychological influence based on an individual’s unconscious, involuntary susceptibility to certain emotional states imparted from outside.

Physiological basis of contamination is an individual’s permanent readiness for discharge (which is often is not even recognized). *Psychological basis* of contamination is a number of regularities. Firstly, within the mass of people there acts a mechanism of multiple mutual amplification of emotional impact among communicating people. Many researchers state the presence of a special “contamination reaction” which is similar in its consequences to a usual chain reaction.

Secondly, within the mass of people there appears a certain commonality of estimations, attitudes which prepares an individual for the action of contamination mechanism. For instance, applause at concerts is a kind of impulse following which begins its action the contamination mechanism proper.

Susceptibility of individuals to contamination depends on the general level of personality development, namely, on their self-consciousness level. Potentially, any individual is susceptible

to the influence of contamination mechanism, the only problem being the constitutional peculiarities of everyone's psyche, i.e. on the ratio between the emotional and the rational spheres of the psyche, on how easily the emotional sphere can gain the upper hand over the rational one.

To summarize the aforesaid, it is necessary to note that in modern conditions contamination plays a considerably lesser role than on the initial stages of development. B.V. Porshnev has discovered the regularity in contamination mechanism's action: the higher the society's development level, the more critical is individuals' attitude to the forces, which automatically draws them to the road of emotional experiences, and thus, the weaker the contamination mechanism's action is.

The brightest example of contamination's action is the state of panic. The term itself is derived from the Greek god's name of Pan, the patron of shepherds, pastures, and flocks who caused by his anger insanity of a flock which could throw itself into fire or an abyss for no obvious reason. *Panic* is a certain destructive emotional state arising within a people's community through either lack or excess of information on some important phenomenon.

To *the main condition* of panic's arising belongs the conveying of an important to an individual information (and it be either verbal or in the form of visual images). But this is not enough. For panic to appear it is necessary that:

- there was either lack or excess of information;
 - information contained either frightening or unclear data (for example on real or imaginary danger);
 - information was so strong by its impact that it could cause fear followed by shock.
- Their dynamic manifestation is unconscious adoption of certain behavior patterns.

Any panic as a social-and-psychological phenomenon evolves in three stages:

the initial stage: appearance of any information capable of causing fear and later shock;

the main (or destructive) stage: panic gains in strength under the influence of the aforementioned mechanism of multiple mutual reflection and becomes avalanche-like in character;

the final stage: under the influence of various factors (detecting the falsity of the information, removal of the cause leading to panic, an example capable of "switching on" the

rational sphere of psyche, etc.) the rational sphere is switched on with compensatory abilities of psyche, and the initial emotional state is restored.

A bright example of destructive possibilities of panic is the case which took place in the USA on the 30th of October 1938 after transmitting on the radio the adaptation of H. Wells' book "The War of the Worlds". Masses of broadcast listeners of the most various age and educational groups (by official estimation more than 1.2 mln) experienced a state close to mass psychosis, having believed in Martians' intrusion on Earth. Despite the fact that many of them certainly knew that a literary work was being transmitted on the radio (this was voiced by the announcer three times), about 400 thousand of people testified seeing "Martians' appearance" "in person".

What can be opposed to panic as a phenomenon? The most effective is the use of its own effects. It was already mentioned that in the base of panic's arising is unconscious adoption of certain behavioral patterns. So, there must be a person who is capable of offering a behavior example favoring restoration of normal emotional state.

The message of this example of behavior is the following: everything's fine, the situation is under control, or: the situation is difficult, but we will cope with it. Such an example of behavior can be shown first of all by an executive. It is on his/her actions that it depends whether the panic will diminish or go on.

Under the term of **imitation** is understood the means of psychological influence based not only on accepting outer features of another person's behavior or mass psychic states, but also on reproduction by an individual of features and patterns of the demonstrated behavior. The initiator of scientific study of imitation is the French psychologist and sociologist G. Tard. According to his concept, imitation is the main principle of society's development and existence. Moreover, imitation is only a particular case of the common "universal law of repetition". In animal world this law acts through heredity, while in the human society – through imitation.

From G. Tard's point of view, the source of the progress is as follows: periodically within the society there are made inventions which are copied by masses. These discoveries and inventions are woven later on into the pattern of society to be re-adopted by way of imitation.

Imitation as a means of psychological influence is maintained according to certain laws:

- firstly, imitation proceeds from the inner to the outer (i.e. internal behavioral patterns cause imitation sooner than the outer ones; the spirit of a religion is imitated sooner than its ceremonies);

- secondly, those who are lower on the social ladder imitate those who are higher (the village imitates the city, the towns – the capital and so on.);

- thirdly, the older and the more educated a person is the lesser is the degree (s)he is prone to the simplest imitation patterns and the more complicated forms are peculiar to the imitation process. In adults, unlike in children, imitation is a secondary way of learning the world, and the main stress is made on the outer behavior pattern, without touching deep inner characteristics.

Under the term of **persuasion** is understood mainly intellectual, psychological influence based on transmitting of logically arranged information and setting the goal of making a person accept it willingly as a causative motive for action. In other words, in the process of persuasion not only acceptance of information is gained, but also inner agreement with it, and the final conclusion should be made by the person accepting the information.

Historically, persuasion as a means of influence began to be applied in social practices much later than the mechanisms of suggestion and contamination. This is natural because the need in critical assimilation, conscious acceptance or unacceptance of outer information supposes quite a high level of a person's intellectual development.

The process of convictions' merging or growing into a person's motives is also a higher criterion of strength and efficiency of the formed convictions when, to use the words by N.A. Dobrolyubov, convictions have merged with a person's feelings and will, are inherent to him/her permanently, even unconsciously, when (s)he doesn't think about them at all.

Complexity and multi-sidedness of the process of persuasive influence suppose, according to B.D. Parygin (1999), influencing both the rational and the emotional sphere of personality, an active interaction between the persuading and the persuaded which often outgrows into an open or hidden discussion. It is easier to persuade persons who have a bright, vivid imagination, orient rather on the other than on themselves, have a somewhat deflated self-estimation, etc.

The following conditions influence the improving efficiency of persuasion:

- ability to establish contact, cause trust;
- self-control, patience, and tactfulness;
- ability to prove, explain, disprove;
- presenting ideas in a way that they associate with the already assimilated ones;

- personal conviction, sincerity;
- making sure that both parties understand the terms, notions, and expressions used in the process in the same way;
- taking into account individual and age peculiarities of the person being persuaded, as well as the psychology of a small group.

The persuasion procedure proper includes three kinds of persuasive influences:

1. Informing.

2. Explaining.

3. Proving and disproving.

Informing is a narration, i.e. a vivid and figurative exposition of information in order to convey to the employees facts and conclusions necessary to induce them to certain actions. While telling something to an employee, either inductive or deductive way is chosen. The first one demands consecutive viewing of facts, phenomena, events, and only then making a conclusion, while the inductive way supposes that first should be stated the general notions, and then give the facts supporting them.

Usually they distinguish the following typical kinds of explanations:

- *instructive explanation*, in the course of which an employee should assimilate, or rather remember the delivered information. Such explanation is given in a clear language, with short phrases;

- *narrative explanation*, in the course of which an employee is told facts in the form a vivid narration the aim of which is to lead the employee to corresponding conclusions;

- *reasoning explanation*, in the course of which an employee's thinking activity is involved by asking him/her a number of questions with consequent logical reasoning leading him/her to the needed conclusions;

- *problem explanation* differs from the previous ones in that the executive does not provide answers to the posed questions. An employee arrives to the answer on his/her own, but the materials for the explanation are provided in such a way as to push him/her to the conclusion needed to the executive.

Proofs at persuading are built according to logical laws of identity, contradiction, deletion of the third, and of sufficient grounds. A proof will be the more effective the more it

rests on such facts that are either correct in their essence or are perceived by an employee as correct.

From the position of logic **disproof** is of the same nature as proof. By proving to an employee one idea an executive thus disproves another.

As for the psychological plane, there is a certain difference. It is connected with the fact that in the process of disproof there takes place criticism of an interlocutor's certain views with ruining of some old attitudes and forming new ones. Hence, it is needed that in the process of disproof psychological approaches be used along with logical ones. Persuasion supposes obligatory stimulating an employee by means of verbal approval, support of his/her way of thinking and acting. While persuading don't resort to power until all other means are exhausted.

According to D. Meyers (1997) when making persuasive influence it is essential who, what, how, and whom conveys. Let's have a closer look at these components of the process of influence.

WHO? D. Meyers gives the main characteristics that can make an influence:

- **authoritative, competent, and reliable** source of influence;
- **a sure and direct approach to the problem**, looking straight into the eyes;
- ability to speak up for something **sacrificing one's personal interests** (unselfishness effect);
- **attractiveness** of the influence source (especially effective in the questions of tastes and preferences). It is of importance both physical charm (beautiful people are more persuasive), and "similarity effect" (we are prone to sympathize with people who are alike to us, belonging to the same social group as we do).

When the choice is based on personal estimations, tastes, or life-style, the most influence is gained by the person who is alike to us. But when it is about facts, the support of our opinion by a person who is unlike us, causes greater trust. A judgement of a dissimilar person is more independent.

WHAT? Rational or emotional communication? Everything depends on the audience:

- well-educated and interested audience is more perceptive to **rational arguments**, while less educated and indifferent one – to the **emotional arguments**.

- a message becomes more convincing if it *is associated with positive feelings* (“the good mood effect”). So, if your arguments are not strong enough it will be wiser to bring the audience to a good mood and hope that they will perceive your message positively without thinking over it for too long. By the way, good mood may develop while eating, drinking, listening to pleasant music, etc.;

- sometimes a message can turn out to be convincing if it *appeals to negative emotions*, calls fear. In this case, it is important to:

- point out to the audience how to avoid danger (otherwise the frightening message may simply remain unperceived);

- to make the message obvious, vivid, and not amorphous, pointless. As D. Meyers notes, “when it is about persuasiveness, a vivid picture to the point can really substitute dozens of thousands of words”;

- an important thing is the degree of *diversity in the audience’s opinions* and those of the source of influence. If you are an authoritative source and the audience is not quite interested in a certain problem you can fearlessly express the most extremist views.

HOW? Among the number of discovered regularities are the following:

- *things that have been actively experienced* are more convincing;

- persuasiveness decreases with *the increase in a problem’s importance, complicatedness, and the degree of familiarity* (the aim is achievable, but not at one go);

-persuasiveness increases with *personal influence*, and not indirect informing;

-the more vivid is the way the information is presented the more convincing are the supposed messages. If ranged according to persuasiveness, the various means of information presentation can be listed as follows:

-the message conveyed at the current moment (like “here **and** now”);

-video recording;

-audio recording;

- printing (a printed message ensures the best involvement and memorizing);

- stimulating the audience’s thinking makes a strong message even more convincing. As methods the following can be used:

- rhetoric questions;
- influence by several communicators;
- the audience's responsibility for the message estimation;
- relaxed postures of speakers;
- multiple repetition of the same message different variations.

WHOM? Considering the characteristics of the influenced objects:

- *the grade of a person's self-evaluation*. People with low self-evaluation usually perceive the message slowly and that's why they are more difficult to persuade. On the contrary, people with high self-evaluation understand everything quickly, but prefer to keep to their opinions. Best of all are liable to persuasion the people with adequate (moderate) self-evaluation.

- *a person's age*. Young people's attitudes are more unsteady. Elder people experience difficulties in perceiving arguments of persuasion based on modern approaches and stereotypes. Why? Because during the second and beginning of the third decade of human life (i.e. in youth and the beginning of adulthood) there happens the most intensive forming of the personality and its philosophy of life. The attitudes appearing in this period have a tendency of remaining unchanged. These attitudes are connected with deeper and stable impressions.

- *the state of the audience at the moment of persuasive influence*. Under the direct way of persuasion the decisive point is not the message content in itself but the reaction which it causes in the minds of people. If the message causes thoughts suitable for us we get persuaded. But if it makes us think of counter-arguments we will keep to our previous opinion;

- it is difficult to persuade an audience who are warned in advance of the influence on their important life-attitudes. But if the topic is considered trivial, i.e. does not touch us, even crude propaganda may appear effective;

- persuasiveness of a verbal message increases if it is possible to distract the audience to such an extent as to suppress possible objection. This is usually achieved with either bright visual images (they usually act so intensely that we don't analyze the meaning of the message), or a high tempo of speech (fast-speaking people are more persuasive because we are left with less time for objections), or with banal diversion of attention.

Topic 10. Management and social-and-psychological climate in a collective

1. The notion of social-and-psychological climate in a collective.
2. Evaluation of a collective's social-and-psychological climate.
3. The factors influencing social-and-psychological climate.
4. Ways of regulation of social-and-psychological climate.

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1. The notion of social-and-psychological climate in a collective

In modern conditions the character of work puts forward ever greater demands to a person's psychological peculiarities – to his/her thinking, reaction response, etc. Complication of mechanisms and technologies has enabled to lessen the share of physical labor and increase the share of an employee's mental work. On the other hand, the larger part of a working person is spent in a collective, and it is the collective that provides psychological support, helping to feel one's belonging, and to fill with some content one's self-image. Due to the mentioned reasons, the labor results nowadays considerably depend on an employee's mental state.

The task of an executive in this case is to use a personality's individual traits (the psychological peculiarities, character, abilities, etc.) and to regulate in an optimal way the relations between the people in a collective. The more people are disposed to each other, the more comfortable are the conditions of their work the higher is work-efficiency. The

opposite is also true. Contacts between people and their emotional content form a collective's social-and-emotional climate.

Social-and-emotional climate is defined as the prevailing in the collective considerably stable psychological mood of its employees which is manifested in multifaceted forms of their activity. Being formed on the basis of emotional and labor relations in the group, on individual values orientation, social-and-psychological climate in its turn in itself defines the system of collective member's attitudes to each other, to their work, to all other activities (to everyday life, leisure, etc.).

The most important peculiarity of social-and-emotional climate is that it provides the general, integrated characteristic of psychological state of all the manifestations of a collective's life because it integrates the interaction of the whole scope of social, group, and personal factors as conditions of labor activity.

An attitude of one person affects the attitude of the other person communicating with him/her. Thus forms emotional interdependence which includes people's feelings, emotions, opinions, and moods. Social-and-psychological climate impacts labor mood of every employee and the collective as a whole. A positive, healthy social-and-psychological climate promotes the desire to work willingly and efficiently, while an unhealthy, negative climate decreases work-motivation sharply.

Many executives think that social-and psychological climate is something difficult to grasp: on the one hand, it seems to exist, but on the other hand it is difficult to feel. In this case one should turn to an especially sensitive category of employees who have worked at an enterprise for quite a long period of time to be able to evaluate the peculiarities of relations, and not long enough to get accustomed, to give up. According to psychologists, these are the people who have worked in the collective 10 – 15 years.

The state of social-and-psychological climate is one of the most important work characteristics. It depends on good, benevolent relations, is reinforced with positive motivation, mutual respect, successful leadership, good communications, cooperation, mutual assistance. Achieving a high level of social-and psychological climate is a long-term process which is practically impossible to be realized quickly, on the grounds of slogans and appeals.

A healthy social-and-psychological climate in a collective grows slowly and is difficult to maintain at an adequate level. The state of the microclimate in a collective may change like weather from day to day. Fluctuations in people's moods, states may quickly change under the impact of sudden conditions both favourable and unfavourable. Unfortunately, the nature of human memory is such that it often forgets good things and remembers bad ones for a long time, that's why negative, unfavourable emotions can sharply worsen an employee's positive mood and affect his/her fulfilling production tasks for a long time.

To evaluate the quality of social-and-psychological climate one needs to analyze all of its components. In the structure of social-and-psychological climate there are distinguished two basic components – the people's attitude to work and their attitude to each other. All the multiplicity of these attitudes and relations are viewed through the prism of two main parameters of psychological tuning – the emotional one, and the object one.

Under the term of object tuning is understood the attention directedness and the character of a person's perceiving certain aspects of his/her activity. The emotional tuning supposes the attitude of satisfaction or dissatisfaction with these aspects of activity.

Apart from it, social-and-psychological climate determines people's attitude to the world in general and self-perception of themselves as part of it. And this, in its turn, may manifest itself in the whole system of a personality's value orientations, who is a member of a certain collective. The climate is also manifested in a certain manner in each of collective's member attitude to oneself. Thus, **the structure of** social-and-psychological climate's **manifestations** consists in people's attitude to each other, to the world, and to themselves.

The most important signs of a favorable social-and-psychological climate are the following:

- group members' trust and high exigency to each other;
- benevolent and practical criticism;
- free expression of one's opinion when discussing matters concerning the whole collective;
- absence of managerial pressure on employees and recognition of their right to take certain decisions important for the whole group;
- satisfaction with belonging to the collective;
- a high degree of involvement and mutual assistance in situations causing frustration in some of the collective's members;
- taking responsibility for the state of matters in the group by each of its members.

Thus, social-and-psychological climate as a qualitative side of interpersonal relations is manifested in the totality of psychological conditions which are either enhance or impede productive activities and personality development within a group.

2.Evaluation of a collective's social-and-psychological climate

To evaluate social-and-psychological climate in a collective it is necessary describe and compare with certain standard criteria the manifestations of the collective's prevailing mood and at the same time to evaluate the quality of its functioning.

There are distinguished two basic ways to evaluate a collective's social-and-psychological climate:

- 1) within a fundamental research;
- 2) in the mode of field survey.

In the first case, the evaluation of a certain collective's social-and-psychological climate is a part of a broader research program studying the whole totality of a collective's social-and-psychological activity conditions (management and leadership, the level of social-and-psychological communication culture, etc.). The second case is not about evolvement of scientific notions of social-and-psychological climate – it deals with the application of the available knowledge and methods to a concrete practical task – to improve a certain collective's social-and-psychological climate.

When evaluating, such indicators are to be analyzed as group integrity, satisfaction with labor, corresponding to social development demands, the potential of social-and-psychological climate.

The group integrity indicators are the group integrity index, the frequency and strength of communicative links, coordination and value-and orientation unity.

The group integrity index is defined in the course of sociometric research and is calculated as the ratio of total number of mutual positive choices to the number of possible choices. The content characteristic of these mutual positive choices is omitted. The group integrity index is strictly a formal characteristic of a group.

Frequency and strength of communicative links is put into the basis of integrity research by L. Festinger. He defined integrity as sum total of all the forces influencing group members to hold them within. These forces were interpreted as either the attractiveness of the group for an individual, or as satisfaction with belonging to it.

Coordination as a criterion of unity has been offered by T Newk, who points out the need in appearing of similar group members' orientation concerning some meaningful values, and which is regulated by emotional reactions of separate individuals and of the group as a whole.

Value-and orientation unity is one of the main indicators of group unity which fixes the extent of coincidence of its members' estimations and positions in relation to aims and values the most significant to the group as a whole.

As the value-and-orientation unity index serves the frequency of coincidence of group members' positions in relation to the significant for them objects of evaluation. A high degree of value-and-orientation unity acts as an important source of infra-group communication intensification and that of increasing common activity's effectiveness.

Satisfaction. This is a limited criterion in determining the state of social-and-psychological climate. It has been established that a person's feeling of satisfaction with his/her status or relations with other people in the collective may not correspond to his/her real position in the group at all. Thus, in a research conducted at school it was established that sometimes in classes where educative work is organized badly, the pupils who openly broke discipline and get low marks can have a high coefficient of satisfaction with their status in the collective.

As a criterion in diagnostics of social-and-psychological climate it is also common to view its **correspondence to social development demands**, paying attention to a personality's needs and orientation in the collective. The utmost correspondence of social-and-psychological climate to the demands of social development ensures a person's maximum involvement into activity. And this, in its turn, appears to be a condition of social and economic effectiveness of the activity itself.

In this connection there was offered the notion of the **potential** of a collective's social-and-psychological climate. Potential of social-and-psychological climate characterizes not so much as one or another directedness of processes' evolvement, as the state and the level of realization of the available possibilities for activity.

There are six potentials characterizing the level of social-and-psychological possibilities and claims of a collective's members:

1. **Potential of choice.** It depends on a range of both objective abilities and subjective claims of a collective's members concerning the choice of means to perform their activity. The choice of alternatives depends on a personality, its self-consciousness and self-attitude. There is possible a dual effect of choice potential as an indicator of social-and-psychological climate:

a) the higher the level and the wider the range of intra-collective possibilities and subjective predisposition to choice, the higher the level of creative activity of a personality and the collective as a whole, the level of psychological involvement into activity, and thus its effectiveness;

b) there exists in principle a possibility of a conflict between a personality's predisposition for choice and the absence of conditions for its realization in a certain collective;

c) there is also possible a conflict between the objective possibilities of choice on the one hand, and a personality's non-predisposition for taking decisions.

In the last two cases the factor of choice potential may negatively impact the social-and-psychological climate and the efficiency level of a collective's activity.

2. **Potential of renovation.** It characterizes the range of both objective possibilities and subjective claims of collective members concerning the speed and scale of changes which may be within the scope of both subject and communicative activities.

The significance of this potential is determined by the inherent to the human brain need in updating of information without which a durable involvement of an individual in activity is impossible. Here, as in the previous case, there are grounds to distinguish two aspects: the objective, and the subjective one. The **objective** factors are the degree, the depth, the scale and quantity of objective changes in a period of time characteristic for a collective. The

subjective factor is the level of collective members' predisposition for them: their need in and desire for changes and renovation of the main activity conditions (objective and communicative ones).

There are two models of this potential's action:

- a) objective characteristics of renovation potential completely coincide with the subjective ones which is possible at its both quite low and high level of involvement;
- b) renovation potential's objective and subjective characteristics are in a conflicting state.

Sometimes both variants are combined when objective or subjective characteristics of this potential of one part of the collective being quite dynamic collide with un-dynamism, conservatism of other members of the same work-group.

3. Potential of acceptance. It characterizes both objective conditions of infra-collective activity directed at an individual's encouragement and his/her claims for a certain level of positive evaluation of his/her activity on behalf the collective.

The importance of the acceptance potential in the structure of social-and-psychological climate is determined by the principal importance for the human of feedback mechanism linking him/her with his/her social environment. Stressing a great role of encouragement of approval of human activity by the others as the most important factor of an individual's positive psychological state, a well-known Canadian biologist G. Sellier noted in particular that personally for him "the thirst for approval and acclaim was one of the most important motive forces through life". Leo Tolstoi in his youth dreamed of crowds of people surrounding him and giving thanks to him for something.

The structure of the acceptance potential includes objective (concerning a person) conditions of infracollective activity satisfying to a certain extent a person's desire for acclaim, and subjective strives of a person to being accepted by the collective, the level of a person's claim for being evaluated by the collective in accordance with his/her own self-evaluation.

As in the previous cases, the following variants of the situation are possible:

- a) correspondence on the grounds of low potential;
- b) discrepancy on the grounds of high level of claims;
- c) correspondence of subjective claims and objective conditions for their satisfaction at a high level of the potential;
- d) discrepancy on the grounds of encouragement system exceeding the real potential of claims.

4. Potential of self-expression. It characterizes the desire for self-expression, i.e. for displaying of all the peculiarities, inclinations, and giftednesses that a person has formed through life.

The desire for self-expression is one of the most important manifestations of a personality. A person strives for establishing him/herself through their uniqueness. It is advisable to stimulate objective conditions of a person's self-expression in a collective primarily in relation to his/her functional-and-role activity.

It is important to take into account to what extent work conditions correspond to a person's mental state, professional experience, creative directedness, how they coincide or how they differ from the things a person believes to be his/her calling for, his/her means of creative self-expression. The needs in self-expression and acclaim are organically interconnected. These are the two most important sides of the whole complex of a person's spiritual needs acting as a powerful stimulator of his/her activity.

5. Potential of mental stress. It is characterized by the level and the range of mental stress demanded from an employee by his/her everyday activity.

The criteria for establishing the optimality level of mental stress are the correspondence of the objective projective stress characteristics that ensures the maximum productivity growth on the one hand, and the space for personality development on the other hand. The latter may be defined through the realization of potentials of choice, renovation, and self-expression. The specific task of measuring this potential is to find the optimal extent of mental stress in the situation of correspondence of objective conditions and a person's and the collective's preferences to a quite stressful activity. G. Sellier noted in this connection that most of the people equally dislike both the absence of stress and the excess of it. That is why everyone should thoroughly study oneself and find the stress level at which (s)he feels most comfortably regardless of the chosen task.

6. Definiteness potential. This is the degree of distinctness, fixation of the demands set by the work and management to a collective member.

The significance of the definiteness potential in work is hard to overestimate. On the degree of definiteness, certainty, and clearness of the duties to be performed by a collective member the success of the common matter depends most directly. It is natural that without distinctiveness in work there can be no exactingness.

Definiteness potential also manifests itself in mental health, activity, needs, and claims of a separate individual. In regard to a personality, this is a projective characteristic of its preferable directedness at a greater or a lesser degree of activity preset from the outside. The potential of indefiniteness plays a varying role depending on the character of work performed by a collective. In conditions of creative activity the grade of indefiniteness must be higher than in the conditions of non-creative work.

And as an optimal factor of social-and-psychological climate of a collective should be such ratio of the degree of objective definiteness to the corresponding level of a person's claims that would correlate with the utmost collective's productivity and spiritual development of a personality.

3. Factors influencing moral-and-psychological climate

A collective's social-and-psychological climate is a considerable factor of human activity influencing the whole system of relations, people's way of life, their everyday general state, workability, and the level of personal creative self-realization. In its turn, social-and-psychological climate depends on a number of factors which cause a positive or negative impact

on it. Some of them can be influenced by a leader, while others cannot. These factors are classified as outer and internal ones.

The outer factors are caused by events occurring outside an organization. They include family problems, regional social problems, catastrophes, etc.

All the things that happen in a family very quickly affect employees' general state. Because outer factors are beyond an executive's direct control (s)he must be very experienced and attentive to get rid of them if possible. For instance, an employee has certain financial difficulties and keeps thinking of overcoming them. The state of depression disables him/her to successfully deal with production tasks. An executive in the course of a talk can find out these problems and take an adequate decision. (S)he estimates the grade of this factor's influence and estimates a possibility of neutralizing it.

At large enterprises, in big companies there are established social and psychological services monitoring the state of social-and-psychological climate and detect the factors that destabilize it. At the same time, employees of these services can provide psychological help to the organization's employees needing it. If necessary, specialists from these services talk with the management and supply professionally calculated and verified recommendations and advices on the peculiarities of communication with employees. These services can considerably diminish the scales of conflicts and even to eliminate them completely.

To the inner climate-forming factors belong:

1. Managerial style which directly influences people's mood, behavior, their relations. The degree of satisfaction with the style and its motivational consequences forms attitude to work.

2. Work process efficiency. Here there are meant subjectively evaluated organization-and-managerial, economic, as well as material-and-technical conditions in which a person works. Employees' dissatisfaction with the way matters are organized negatively influences social-and-psychological climate.

3. Employees' personal qualities. Through them are focused all the circumstances of work activity and personal life. People prone to conflict, intolerant to other people's opinions, with exaggerated self-esteem, unreasonable level of claims and low behavior culture level provoke deterioration of social-and-psychological climate.

4. Corporative (group) culture which being a group consciousness factor determines certain interpersonal relations in a collective as a common value. At strong group self-consciousness, persons who encroach on common values are disapproved; thus social-and-psychological climate is protected from infringements.

5. This factor is associated with such a phenomenon as **group pressure** on a personality. In the beginning of the 50th of the 20th century, S. Ash conducted a number of experiments to research group pressure on an individual. In one of his experiments seven people were sitting at the table and estimated the lengths of various lines. Only one of the subjects was genuine (naïve). The other six were the experimenter's co-workers, their task being to render direct

pressure on the unaware subject. The experiment was staged as visual perception training, and the subjects were to compare the lengths of the lines on one card with those on other card following which the experimenter asked the subjects whether the length of line X was equal to that of line A, or B, or C.

S. Ash selected a very simple task on purpose, so that the subjects when alone would always give a correct answer. Ash wanted to find out the following: what will happen when all of his six co-workers supposed an incorrect answer? Will the genuine subject say what (s)he really sees, or will (s)he be influenced by a unanimous opinion of the group and (s)he will comply and give the same answer as the others? Ash organized the experiment in such a way that the genuine subject was always the sixth and had always an opportunity to hear five other opinions before expressing his/her own. In nearly one third of cases the subject succumbed to group pressure and gave the answer which (s)he didn't consider correct. Such compliance with group pressure is called conformism. Conformism in relation to group norms is viewed as the process of organizing social signals enabling a person to understand what reaction is expected from him/her and what consequences may follow if (s)he behaves differently.

6. Psychological compatibility and harmony of people in work groups means people's ability to interact in connection with their social and psychological-and-physiological qualities. Psychological compatibility is determined by the totality of personal qualities, while harmony depends primarily on work style. Difficulties in interaction cause stress which influences the general attitude of separate people and the collective as a whole.

7. The ratio of men and women in a collective also influences the climate sometimes. Psychologists recommend mixed collectives if possible. Women's collectives are to a greater extent prone to fluctuations in social-and-psychological climate than men's collectives.

8. The sizes of basic collective. As optimal, scientists consider medium collectives from 10 to 20 people. Big basic collectives (more than 25 people) are prone to falling into smaller factions, while in smaller ones there appears the difficulty of matching psychologically compatible persons because of lack of choice. The practice and researches confirm that in optimal-sized collectives there is created the most favourable conditions for establishing a healthy microclimate because people find themselves in constant work and social communication which enhances their unity. This condition is difficult to satisfy, as the work group sizes are dictated by the volume, character, and nomenclature of work.

9. Collective's age structure. It has been established from experience that for a greater collective stability it is desirable to form it by employees of various ages. A research showed that more stable are those collectives where work together 40% of experienced employees and 60% of young workers. A collective consisting of people of the same age has a tendency of fixing on the interests of their age-group. Combination in a work group of people of different ages and professional skills gives usually a positive result, "unlocking" this fixation of employees on themselves and their activity. Younger people treat older employees with respect, and older people help younger colleagues and pass their experience. But such relations do not form on their own – a manager has to form this style of relation in his/her collective.

10. One of considerable factors is employees' **physical distance** of collective members. A person working close by is more often considered a better friend than a person who works at some distance.

11. An important factor is the presence of objects **provoking aggression**. D. Stutt describes a research of how the presence of inanimate objects influences group members' behavior. One part of a group of college students who were made angry on purpose was in a room with a gun, while another part was in a room with a badminton racket. Then students were offered to apply to others what they thought was an electric shocker. The students who were close to the gun tried to switch a stronger voltage than those who were close to the racket. A simple presence of an object associated with aggression led to increase of aggression in their behavior.

The so-called stratometric concept of a collective also deserves for attention. According to this concept, as the relations determining the state and the level of a collective's development act not a certain satisfaction or mechanical unity, but people's subject interaction and relations mediated by the aims, tasks, and values of common activity, i.e. by its real content.

From Petrovskiy's point of view, in a collective there can be detected certain levels, or layers (strata) of group activity. The first, surface layer, is made by interaction peculiarities: leaders and those being led, compatible and incompatible, contacting and not contacting, etc.

The second layer, lying deeper, is formed by a collective's own features as those of a people community in which their emotional relations and interaction is mediated by the content of mutual activity, its aims, tasks, and values.

The third, deep-laying layer, is formed by the tendency of separate personalities to correlate their activity with socially meaningful mutual purposeful activity.

Formation of social-and-psychological climate is also influenced by national, religious, racial, and other factors.

4. Ways of regulation of social-and-psychological climate

Social-and-psychological climate is formed under the influence of psychological mechanisms of collective activity regulation – adaptation, communication, and integration.

Social-and psychological adaptation supposes active acceptance and adoption of values and norms, and established traditions by new members of a work group. Lack of it makes it impossible for a person to be involved in the informal structure, to use the forms of individual qualities realization common for this group, to realize oneself.

Communication supposes an active information exchange and group members' mutual spiritual enrichment. Through communication not only production management is fulfilled, but also the formation of social-and-psychological climate. A manager should see to it that employees could communicate with each other within reasonable limits, and at the same time (s)he must suppress discussing people's private life in their absence, gossip, and reporting on others.

Successful realization of the integration process leads to collective's turning into a unified, self-regulating social mechanism well-adapted to mutual and individual activity. Orderliness, harmony, and psychological compatibility enable a work group to independently choose the optimal forms of activity ensuring successful fulfilment of a task and the utmost disclosure of every individual's personality, creative potential.

One person, even vested with managerial authorities, will not create a favourable social-and-psychological climate. This is a matter of the whole collective. That is why it is very important that not a single person in a collective should adamantly stand up for stable situation and creative, constructive beginning in all matters. Experienced, qualified employees can render a great assistance in eliminating calamities, pessimism, decadence, and even panic in collectives. So, a collective has to be brought up, or educated.

Education is a stable, wholesome, and unidirectional process of influencing people's social attitudes and expectations carried out in accordance with certain goals.

Educational influences may also be unconscious in character. Even when setting some goals, a manager often does not realize that (s)he uses inadequate educational means for these goals, or on the contrary, (s)he can intuitively select correct methods and means of influence.

The level of realizing and the behavioral skills of a person or a group of people be considered the main result of education.

What is it important for a person **to realize** in a collective? First of all, the grade of involvement with an organization, social importance of the manufactured production, or rendered service and the personal profit from the activity performed.

What behavioral skills is it important to form? First of all, these are **coordinated activity skills** ensuring labor process. These skills are expressed in a concrete style of behavior, suppose certain group norms, status hierarchy, and social attitudes.

Group norms. A person in the sphere of self-evident notions and conventional norms feels oneself free from limitations as well.

Status, as well as a person's position in a group, is a rigid phenomenon. A well-tuned collective has a distinct hierarchical structure in which every employee knows his/her place. A manager caring for favourable social-and-psychological climate in the collective must analyze the personality and activity peculiarities of work group and form the status structure in such a way that it maximally corresponded the organization's tasks on the one hand, and united the work group into a single complex with clearly fixed social roles and status positions.

Personality status should be maintained: a top executive's strict peremptory shout at a middle manager in the presence of employees reduces to nothing all the efforts to form a favourable social-and-psychological climate.

The **attitude** as readiness for action in a strictly defined way is acquired mainly through the following social-and-psychological mechanisms: imitating, contamination, convincing. In everyday life these mechanisms do not ever occur in their pure forms, but as a specific conglomerate supplemented and distorted with personality's perceptions, aims, values, and work conditions.

German psychologists G. Hibsich and M. Vorwerg point out that while imitating people learn the ways of behaving and reacting without the use of any methods and modes of influence. In other words, imitating is spontaneous formation of an attitude. An apprentice in a shop “behaves” by his master’s example though (s)he does not get from his master any direct orders concerning bad or good behavior towards bosses or other employees.

J. Lollard and N. Miller have established that there are four main groups of people causing an especially strong desire to imitate:

- 1) people who are older;
- 2) people exceeding one in social status;
- 3) people exceeding one on the intellect level;
- 4) people exceeding one in some practical skill.

So, the desire to imitate is caused especially by the people who have mastered the ways of behavior readily accepted by the imitating person or even causing his/her excitement. And the desire to imitate is also directed at such kinds of reaction (and readiness for it) which needn’t necessarily be connected with the quality causing excitement. A duty of manager is to see to it if possible that identification should be positive, i.e. that newcomers should imitate professional and moral employees.

Identification is connected with forming the feeling of belonging to the group in the course of interpersonal communication. The process evolves on three levels: emotional – ability of empathy; on value-and world-viewing level – the ability of sharing another person’s point of view; on behavioral level – reproduction of behavior patterns.

Identification is facilitated:

- 1) in relation to all persons inducing the desire to imitate;
- 2) in unclear, ambiguous, and confusing situations for which there don’t yet exist socially sanctioned behavior patterns;
- 3) for persons who are “trainees” and that is why have to initially adapt their behavior to new situations;
- 4) for persons who due to their character are not sure of themselves and (or) suffer from inferiority complex. Thanks to identification with an authoritative person they subjectively acquire the needed confidence.

In the identification mechanism an important role is played by an anti-ideal containing such behavioral patterns which a person doesn’t want or mustn’t demonstrate. An anti-ideal concentrates everything that a person doesn’t want to associate oneself with. An anti-ideal is usually expressed brighter than an ideal. For many people it is easier to think dichotomically, and that is why when defining notions they usually apply the “rule of contraries”: “generous is not greedy”, etc. A manager working with the identification mechanism needs to orientate the group on the both sides of behavior reality – on the ideal one, and the anti-ideal one as polar sides of labor activity and communication.

There may be spatial, time, and information coordination. In the case of spatial coordination of homogenous work operations one speaks mainly of simple adding of forces. It is known that bricks that are passed to the wall “by chain” will go faster if they are carried by separate workers even if the number of workers remains the same. So, five people can carry a heavier log than sum total of their individual forces would permit. Employees in organizations are usually well aware of this coordination effect, but they don’t take into account its opposite effect: in large groups every new member diminishes the efforts of the rest of the team, and due to this there happens the so-called “social discharge”. The phenomenon of social discharge is not always negative: when a worker is lost, a group will work more effectively for a while.

In the case of coordination of homogenous work operations in time the adding of forces is more complicated. Here, there are summed up not as much as forces as such, but also their possible advantages and disadvantages, i.e., their quality. At the simultaneous action of homogenous forces their disadvantages are compensated, and their advantage increases. Thus, five people busy with looking for a lost thing will find it with a greater probability than one person who is given five times more time for it. The decisive additional productivity is gained not by means of this common directedness, but by means of simultaneous and combined use of production abilities of various qualities. While in the case of spatial coordination of single forces they necessarily have to be directed at an object in the same sense, in time coordination the total productivity increases thanks to independence of separate workers. Employees know in general whose role in the production output or service rendering is the biggest, but everyone tries to overestimate his/her own role, and accordingly to diminish that of another person. Hence the appearance of resentments when it comes to material and moral stimulation, and satisfaction with labor decreases.

Information coordination is directed at overcoming of uncertainty in common actions. It is determined on the one hand by the preset aims and operations, and on the other hand by activity control. The collective must have information on labor conditions, its remuneration, perspectives, to be sure of stability in organization’s development, stability in every employee’s life. If such information is not provided by the management in time, there appear various rumors, some of which may be openly destructive in character (frightening rumors for instance).

Management of social-and-psychological climate is more effective when the objects, actions, and information in people cooperation are coordinated into one joint force.

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